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Espionage Between CIS Countries Highlighted

BR1702105895 Paris LE FIGARO in French 16 Feb 95 p3

[Report by Isabelle Lasserre: "The New Spies Come From the East"]

[FBIS Translated Text] Moscow—"Certain republics of the former Soviet Union are carrying out operations against us. This year our services have arrested more foreign agents than the KGB and the Interior Ministry combined." Sergey Stepashin, president of the FSK [FCS] [Federal Counterintelligence Service]—formerly the KGB—is furious. "We have common roots and the same training, and now these people—our brothers—are working against Russia!" Even the press is indignant: "The unity of the CIS countries is now just an illusion."

These are the new spies, the post-Cold War spies. The experts say that since Russia is no longer felt to be a threat to the West it no longer attracts agents from the West. "Anyone can gain access to information now. Everything is in the press," explained Alexey Arbatov, director of the Institute for the World Economy and International Relations.

New agents from the "near abroad" have slowly replaced the "traditional enemies from the West." According to the Russian counter-espionage service, the number of agents from Eastern Europe, Asia, Islamic states, and especially the countries neighboring the CIS, is growing continually. Ukraine, Uzbekhistan, Kazakhstan, and the Baltic countries have now taken the place of the United States and Western Europe in the dock.

Espionage between the former Soviet Republics is a paradoxical consequence of the collapse of the USSR. According to an FSK spokesman it can be explained by "the fact that Russia, which was one of the most secret societies in the world, suddenly opened up. The freedom of speech makes espionage more accessible."

These new spies make former KGB General Oleg Kalugin smile. "All this is ridiculous. What do you think Estonia—with a population of one and a half million—can do to our country, apart from trying to assess the threat posed by Russia with regard to the sovereignty of the Baltic countries? Moreover, this is not of much interest to us, because Moscow's intentions are unpredictable."

'Mafiosi'

Judging by what the experts say, the so-called spies arrested by the Russian services may actually only be "mafiosi." "No CIS republic has the experience or the resources to have secret services worthy of the name," Alexey Arbatov said. Oleg Kalugin felt that the reason for the publicity in Moscow about CIS spies is the poorly internalized changes in the raison d'etre of Russian espionage. "In my time espionage was a war of the intellect. All that is left today is vulgar economic espionage." Along with many experts he felt that the FSK is now tending "to invent" spies. "Sergey Stepashin wants to preserve the old spirit of espionage. He wants to prove that Russian espionage is still efficient. During the Cold War the KGB was an elite. Today the espionage services feel a bit miserable. I would never go back."

Georgian Leaders Appraise Almaty Summit Results

MM2002124395 Moscow TRUD in Russian 17 Feb 95 p 3

[Report of interviews with Georgian President Eduard Shevardnadze; Georgian Foreign Minister Aleksandr Chikvaidze; Major General Valeriy Chkheidze, commander of the Georgian Border Forces; and Georgian Prime Minister Otar Patsatsia by unidentified TRUD correspondent; place and date not given: "Deepening Integration Is to the Common Good. Georgian Leaders on Results of Almaty Meeting During Interview with TRUD Correspondent"]

[FBIS Translated Text] [Shevardnadze] Let me begin by saying that during our meetings with President Yeltsin, Premier Chernomyrdin, Foreign Minister A. Kozyrev, and Defense Minister Grachev we concluded that the final stage in the settlement of the Georgian-Abkhazian and Georgian-Ossetian conflicts has arrived. Georgia's position on aggressive separatism as voiced in the special addendum to the text of the Memorandum on the Maintenance of Peace and Stability in the CIS, which was signed in Almaty, seems throughly justified and fair to me particularly in the context of events in Chechnya. Abkhazia and Chechnya are links in the same chain and understanding has matured among the CIS heads of state of the danger harbored by aggressive separatism. Our objective assessment of events in Abkhazia and Chechnya elicited the correct response from the Russian leadership. The meeting in Almaty persuaded us that the speediest conclusion of the conflict in Georgia is in the interests of all CIS countries. That manifested itself in unanimous support for Georgia's position on aggressive separatism.

There were also interesting meetings with the heads of several CIS countries—Ukraine, Azerbaijan, Kazakhstan, Uzbekistan, and others. Georgia joined in the process of forming a unified scientific area. I consider the improvement of the customs legislation mechanism and the signing of the treaty on the creation of a unified air defense system important. But the most significant gain is that the path of aggressive separatism has been barred for ever following this meeting. [Shevardnadze ends]

Developing the subject of the additional point in the memorandum adopted at Georgia's suggestion, Foreign Minister Aleksandr Chikvaidze told our correspondent:

[Chikvaidze] The Georgian delegation's wording went like this: The states must not support separatist movements in other member states if they arise, must not establish political, economic, and other ties with them, must prevent their use of CIS territories and lines of communications, and must not provide economic, financial, and other aid. This wording was not adopted straightaway, there were votes in favor of a milder version, but we succeeded in getting our way.

The question was unique—why aggressive separatism precisely and not any other kind? This is not merely a theoretical dispute, the problem is more serious. After all aggressive separatism is linked with military force and that is where it differs from Quebec, for instance, where there is also talk of secession but no bloodshed.

[TRUD] What methods will be used henceforth to combat aggressive separatism?

[Chikvaidze] The states pledged not to create a breeding ground for the development of this phenomenon on their territories. Political, economic, and, if necessary, military barriers will be erected in its way. All member countries were unanimous in their agreement. [Chikvaidze ends]

At our request Major General Valeriy Chkheidze, commander of the Georgian Border Forces, summed up the results of the work done in Almaty:

[Chkheidze] We discussed the question of the concept for the protection of the CIS state borders. It is gratifying for us that the process of Commonwealth integration is deepening and the quest for a common denominator is successfully under way. That is the main point. However it is necessary to take into consideration the legislation of all member countries in our work so as to secure the sought-after unified legislation without detriment to the republics' sovereignty. [Chkheidze ends]

We asked Georgian Prime Minister Otar Patsatsia a question about economic decisions affecting Georgia's interests:

[Patsatsiya] No crucial decisions were adopted in Almaty as far as we are concerned. But a single tariff system has been established on the CIS railroad network, which will in the future be of considerable benefit to Georgia in particular. It is very important that our railroad debt of 20 million Swiss francs has been frozen until the end of 1995.

Integration processes are gradually gaining momentum. This provides hope of rapid results that may ease Georgia's disastrous economic position.

ITAR-TASS Carries Press Review for 22 Feb

LD2202083695 Moscow ITAR-TASS in English 0638 GMT 22 Feb 95

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow February 22 TASS—Commenting on the two-day visit by President Boris Yeltsin to Belarus, the NEZAVISIMAYA GAZETA newspaper notes today that it is called upon to confirm that "integration activities started by the Russian leadership at the heat of the Chechen campaign to prove feverishly that not all has been lost, are becoming a quite stable line of the Kremlin".

In the opinion of the PRAVDA newspaper, to speak about a breakthrough in Russian-Belarusan relations means to be guilty of wishful thinking. However, the newspaper stresses, "this is undoubtedly a step towards rapprochement".

The press continues to give extensive coverage to events in and outside Chechnya. Director of the Federal Border Service Andrey Nikolayev, commander-in-chief of Russian border troops, said in an interview with the ROSSIYSKAYA GAZETA newspaper about the need for stiffening measures to guard better the Chechen administrative borders.

He claimed that the conflict must be localised. It is necessary to ensure conditions for work to all who came to Chechnya to help revive the republic. At the same time, the director noted, "some part of local population in Ingushetia and Dagestan negatively respond to the closure of the administrative border with Chechnya".

Threats are voiced against troops. Over 20 attacks were committed against border guards in the recent past. Five border guards were killed and five wounded, Nikolayev noted.

The IZVESTIYA newspaper writes that the Dudayev cabinet concealed information about the cholera epidemic that hit Chechnya last year, along with Dagestan. Epidemioligists predict "a hot summer" in the republic this year.

According to their estimates, the cholera vibrio can live in some people till a warm spell, and then, it will spread among population by contact.

Salambek Khadzhiev, head of the Chechen Government of National Revival, said in an interview with ROSSIYSKAYA GAZETA that the republic's future depends on whether it will be possible to create, for the transition period, honest authorities responsible to people.

According to Khadzhiev, "the period of the Dudayev rule taught the Chechen population a grim lesson. Therefore, it is highly improbable that there will be people wishing to live without Russia in future".

The TRUD newspaper carries a report from Groznyy that, according to specialists, it will take three or four years to restore the city.

Summing up speeches by specialists at a recent military conference which was held in the city of Kubinka, Moscow region, on problems of survivability of armour, the army newspaper KRASNAYA ZVEZDA notes: "Russian tanks did not let us down in Chechnya. However, their losses could have been less."

The KOMSOMOLSKAYA PRAVADA newspaper runs an interview with former Bulgarian party leader and statesman Todor Zhivkov at his home in Sofia. He told the daily that he writes reminiscences now.

"It is very difficult for me to write, since all archives, even personal photographs were taken away from me," 83-year-old Zhivkov said.

Commentary on Clinton Message to Yeltsin on NATO

MK2202121095 Moscow NEZAVISIMAYA GAZETA in Russian 22 Feb 95 p 1

[Report by Mikhail Karpov under the "Diplomacy" rubric: "Clinton's Message to Yeltsin. Before Arriving in Moscow it Was Discussed in Brussels"]

[FBIS Translated Text] On 20 February the NATO Council reportedly had an "informal" discussion of the U.S. President's letter to his Russian counterpart. Its key subject is the problem of NATO's eastward expansion. It is well known what nearly shocking effect two Russian counter-demarches—Kozyrev's in Brussels and Yeltsin's in Budapest—had on the alliance last December. Since then, many statements by Western officials have sounded a note of reassurance, arguing that the defensive alliance's steps are not aimed against Russia. The Kremlin and Smolenskaya Square [Foreign Ministry] preferred to leave them without response, while not missing an opportunity, however, to reaffirm the stance they adopted in December.

Now, Washington—the main initiator of NATO's eastward expansion, which has nearly pushed the entire organization to the brink of its most serious crisis—is going to make yet another attempt to convince Moscow that the North Atlantic alliance does not intend to isolate Russia or to bring its role in European matters effectively to naught. At the same time, it has transpired that Clinton will try to convince Yeltsin that the two NATO documents Russia refused to sign contain provisions that are extremely important for their relations.

The time for sending such a letter is more than propitious. However Moscow may try to silence the damage done to its international standing by the Chechnya war, it is still evident. Here again, after the U.S. President has demonstrated his restraint on this matter against the background of public opinion's open denunciation of Moscow's actions, there emerges yet more proof of the fact that the Washington administration, realizing the entire complexity of the situation, is inviting Moscow to rethink its line of conduct vis-a-vis NATO.

Some in the West think that Clinton's assurances to the effect that NATO recognizes Russia's role in ensuring European security and its legitimate interests in the region will be sufficient justification for the Russian president to resume a dialogue with the alliance in view of the country's public opinion. It seems that in reality the Russian president will only yet another time become a target for his critics, who have never given up their allegations that Yeltsin is kowtowing to the West. But refraining from reacting to the Clinton message would be simply indecent, so some counter- gesture is inevitable.

At the same time, the Clinton message is breaking a certain pause in the dialogue between Moscow and Washington, which emerged following the absence of a clear answer to an invitation extended to the U.S. President to visit Russia in connection with the celebration of the 50th anniversary of the victory in World War II, an invitation some in the United States are energetically urging Clinton to decline. Upon the resumption of a discussion on Russia's partnership with NATO, a solution to this problem can well be relegated to the back burner so as to go back to it once this discussion yields any results. And by then everything might well calm down in Chechnya, too. This scenario is all the more realistic because Yeltsin has informed Clinton through his press secretary that he will leave his decision regarding the visit without comment. Thus both presidents are trying to put a brave face on it, which is unlikely to benefit NATO, or Russia for that matter.

Kozyrev States Interest in 'Equitable' Ties With NATO

LD1702152695 Moscow INTERFAX in English 1452 GMT 17 Feb 95

[FBIS Transcribed Text] Moscow, Feb (INTERFAX)—Russia and NATO are working on a formula for long-term cooperation ruling out either side's subordination, Andrey Kozyrev has said.

"Moscow cannot agree to the role of a yes-man", Kozyrev told journalists when interviewed at the all-Russia conference on local self-government.

Kozyrev believes that the period of easy cooperation with Russia for the West, when we were expected to say "yes" all the time is long gone. "Figuratively speaking we are not going to march in step with NATO. Nor do we seek a fist fight. What we want is equitable cooperation", Kozyrev said.

About Russia's future relations with the Council of Europe, which in the wake of the Chechen crisis postponed Russia's admission Kozyrev said there were two options.

"Either Russia becomes a member of the Council of Europe and we discuss all critical problems, including the events in Chechnya together. That option looks preferable to me", Kozyrev said.

Or the Council of Europe may distance itself from Russia. Deplorably such an option does exist, Kozyrev said. "But it won't be a tragedy for us. Russia is a great power. We will cooperate, but if the Council of Europe wants to send an inquiry to look into this or that event, it must remember that Russia is not its member".

Notes Plans for 'Solid, Equal' NATO Agreement

LD2102195495 Moscow ITAR-TASS in English 1855 GMT 21 Feb 95

[By ITAR-TASS special correspondent Andrey Shtorkh]

[FBIS Transcribed Text] Minsk February 21 TASS—Russia views its interaction with NATO as equal partnership, Russian Foreign Minister Andrey Kozyrev told ITAR-TASS today upon the completion of Russian-Belarusian negotiations.

Asked whether he knows about the preparing message of U.S. President Bill Clinton to the Russian leader as regards the expansion of NATO, the minister answered negative. He described as incorrect press reports claiming the reception of this letter. At the same time, the minister noted intensive Russian-U.S. consultations on the future of NATO. The consultations involve ministers and high-ranking diplomats.

A Russian delegation began a meeting with U.S. Under-Secretary of State Strobe Talbott in Washington today. Then a ministerial meeting will be held to result in some agreement. "Both the Russian and the U.S. sides have put forward new ideas," said the minister.

The United States is consulting NATO members and "we are consulting our Commonwealth partners and West European states," said Kozyrev. The process aims to elaborate a Russian-NATO agreement to be solid, equal and capable of preventing new separation lines in Europe.

Kozyrev stressed that the document to crown the negotiations should not infringe interests of states but, on the contrary, take into account the needs of East Europeans, the Commonwealth, the United States and Russia. It is a huge set of sometimes polar interests which requires a large work to be done, said the minister. "We view the U.S. proposal as very constructive and, as far as I know, the U.S. side also wants to have a businesslike dialogue with Russia," he added.

Speaking of a possible Russian visit of the U.S. leader, Kozyrev said that such a trip has been planned but its date is being coordinated.

Yeltsin Cited On Closer Integration with Belarus

MM2202102895 Moscow ROSSIYSKIYE VESTI in Russian 22 Feb 95 p 1

[Unattributed report: "Integration Within CIS Possible]

[FBIS Translated Text] During the Russian Federation president's visit to Belarus, which began yesterday, a Treaty of Friendship and Cooperation will be signed, as will 10 other varied agreements, but the question of the ruble zone will not be raised. Boris Yeltsin revealed this to journalists before flying to Minsk.

According to the president, Russia's relations with Belarus are the "closest of all the CIS countries," due to a "common history, religion, close languages, and a good understanding of each other."

The need for deeper integration between the two countries is also prompted by the economic position and, in particular, by the extensive links between Russian and Belarusian industry. "Deeper integration will help them and us to more rapidly put industry in the black," he noted.

Integration between the two countries, according to the president, does not mean that other CIS countries cannot join in. In particular, certain steps in this direction have been taken in relations with Kazakhstan and Ukraine.

Talking about the prospects for integration within the CIS framework, Boris Yeltsin stressed that the Union will not be revived in its former shape. "It will most probably be more like the European Union—that is, each totally independent country will be integrated with the others. This is a new quality."

Boris Yeltsin noted that for the time being Russia is unable to set up a united ruble zone with Belarus. "But this may just be a question of time," he added.

Yeltsin Says Moscow Plans To Strengthen CIS

LD2202114895 Moscow ITAR-TASS in English 1116 GMT 22 Feb 95

[By BELINFORM correspondent Vladimir Glod for TASS]

[FBIS Transcribed Text] Minsk February 22 TASS—"The Russian Federation plans to strengthen the Commonwealth of Independent States, since there is no alternative to this alliance at this stage," said Boris Yeltsin who met CIS Executive Secretary Ivan Korotchenya here on Wednesday.

The Russian president who is chairman of the council of the CIS heads of state, stays for the second day in Minsk on an official visit.

The sides stressed that better opportunities have appeared now for integration of CIS countries. To illustrate this idea, they pointed to the border and customs agreements which were signed by the Russian and Belarusian presidents on Tuesday.

Yeltsin and Korotchenya noted that integration experience of the two countries can be useful for all CIS member countries.

Yeltsin Visit to Minsk Seen Boding Hard Line for Kiev

MK2202084095 Moscow NEZAVISIMAYA GAZETA in Russian 22 Feb 95 p 1

[Commentary by Vitaliy Portnikov under the "Opinion" rubric with the general headline: "Big Triumph Repeats Itself? Russian President in Minsk"]

[FBIS Translated Excerpt] The official visit to Belarus just begun by the Russian president is intended, as it were, to confirm that the integration activities launched by the Russian leadership at the height of the Chechen campaign will be a rather stable policy line of the Kremlin rather than hectic efforts to prove that not all has yet been lost. Still, it is worth recalling these days a triumph for Russia-Belarus friendship that began with Nursultan Nazarbayev, or more correctly, with the Kazakhstan president's arrival in Moscow and the signing of a number of high-sounding bilateral documents. Unlike his Almaty counterpart, the visitor from Kiev—Leonid Kuchma—faced a cold shower of Yeltsin reproaches. It became clear that Nazarbayev is one thing—in addition to high-sounding words, he could offer quite realistic interest rates in the very real development of mineral deposits, plus military bases; and that Kuchma is quite another—he thinks he has traveled his part of the road and expects Moscow to do the same, and on his part of the road he saw neither money for energy nor a Black Sea Fleet of the size Russia needs.... In other words, a paradoxical situation has taken shape: on one hand, Moscow clearly needs backing from its CIS partners; on the other, it has nothing to offer to its partners and it expects offers from them. Nazarbayev made an offer and won. Kuchma was expecting offers and received a dressing-down in front of journalists. [passage omitted]

One should now ask the question: Can Yeltsin's current visit be crowned with whatever result if Alyaksandr Lukashenka has nothing at all to offer Russia except his half-dead industry and a complete text of the report by deputy Syarhey Antonchik on corruption among the presidential staff and the government....

If the meeting with Lukashenko ends in nothing, however, it would be all too easy to doubt the possibility of a visit to Kiev soon. Yeltsin has not been to Kiev for nine months now, and the birth of a bilateral agreement may very well be further postponed. Nevertheless, even if one assumes that the Russian leader will appear in the Ukrainian capital after all, he will still act on the strength of the proposed formula: realistic agreements are possible only with those who put forward realistic proposals rather than wait for initiatives and assistance from Russia. A post-Chechen Russia simply cannot afford either no matter how it wants—in words—integration.

Chernomyrdin To Visit UK 1-3 March

MM2102160995 Moscow IZVESTIYA in Russian 22 Feb 95 p 3

[Report by Aleksandr Shalnev: "Chernomyrdin Assures the British That He Has Seen Plenty of Oil Before"]

[FBIS Translated Text] After some hesitation over whether or not to go, Prime Minister Viktor Chernomyrdin has made up his mind: He will pay a working visit to Britain. True, the program will be curtailed: Instead of the four days originally planned by the British side, the visit will be "packed" into two days.

The premier will fly in on 1 March, and in the morning of 3 March he will travel onward to France. Chernomyrdin turned down the British offer of a trip to Scotland to visit oil deposits on the coastal shelf. "I have seen so many of these oil fields before"—that, they say, is how the former Gazprom leader explained his refusal.

The program is not too full of protocol measures. There will not be many of them at all: meetings with John Major, with the ministers of finance and foreign affairs, and with the leader of the Labour opposition. In general the focus of the visit will be to work on British business circles in the desire to ensure that, in particular, capital comes pouring into the Russian economy on a wider scale. On three occasions our premier will address captains of business, who expect to hear concrete assessments of the present economic, financial, and particularly political situation in Russia and predictions of the development of legislative activity in those aspects that concern the creation of a suitable and attractive investment climate in our country.

In fact, it is because of the complete uncertainty about where Russia is going, and how, that British business is showing restraint in establishing productive relations with us, preferring for the time being either to follow well-trodden paths and channel their capital into North America and Western Europe, or else to take paths in which they have confidence despite their relative novelty: Money is now flowing broadly into China, the countries of Southeast Asia, and the Asian-Pacific region as a whole.

Although it is a working visit, it is planned to sign a series of agreements, including one on investment protection and one on cooperation in the nuclear power industry. According to my information, Moscow has offered London the draft of another agreement too—on cooperation and collaboration in the sphere of currency and export-import controls, which makes provision, among other things, for the exchange of information on instances of the violation of the two countries' relevant laws. But it is not yet certain whether or not London is interested in such an agreement.

A particular question is that of what can be done at long last with the credit guarantees amounting to many hundreds of millions, which the British Government made available a few years ago for all kinds of joint projects, but which are in effect not being used. In the past few months, since the time of President Yeltsin's visit to London, when this question was also discussed, nothing has really happened: The credits are suspended. In the opinion of specialists, both sides are to blame for this: Russia itself cannot sort out the projects for which these credits are available, while Britain is hedging the guarantees about with conditions requiring lengthy coordination and time-consuming procedures.

As I understand it, the question of the situation in Ulster is not on the agenda for the political talks. Although it would be worth hearing what the Britons have to say about how acute internal conflicts can be settled. The way in which the Major government tackled this problem contains much that might come in useful for the Kremlin in tackling the Chechen problem.

Kozyrev Message on Talks With UK's Hurd on Chechnya

LD2102123295 Moscow INTERFAX in English 1139 GMT 21 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 21 (Interfax)—London insists on the need to "close the Chechen episode" before April-May, so as not to frustrate joint celebrations of the 50th anniversary of the victory in World War II, said Russia's Foreign Minister Andrey Kozyrev in his letter to State Duma Speaker Ivan Rybkin.

The message, which Interfax has at its disposal, was written to sum up the results of the talks the head of Russian diplomacy held in Stockholm with Britain's Secretary for Foreign and Commonwealth Affairs Douglas Hurd and with the representatives of Sweden's leadership.

As Kozyrev said, Douglas Hurd had declared unambiguously that if the Chechen episode fails to be closed before April-May, it will affect such events, important for Russia and the West, as the signing of an interim agreement with the European Union and the G-7 summit in Halifax, to which President Boris Yeltsin has been invited.

In Stockholm the discussions concerning Chechnya were subdued enough, Kozyrev told the State Duma speaker. Nevertheless, the head of British diplomacy made no secret of the fact that the lengthy military phase of the operation forced Western governments, which had come under public pressure and in some cases under the pressure of their own opposition, to retreat from their initial attitude of restraint, Kozyrev wrote in his letter.

Nevertheless, he noted with satisfaction that developments in Chechnya did not undermine the British government's belief in the need to support reforms in Russia. In this context London attaches great importance to the continuation of political contacts, particularly to the visit to Britain by Russia's Prime Minister Viktor Chernomyrdin planned for early March, Kozyrev pointed out.

General Lebed Says 'West Must Not Isolate Us'

AU2102140295 Hamburg BILD in German 21 Feb 95 p 2

[Interview with Russian General Alexandr Lebed, head of the "14th Russian Army in Moldova," by Bela Anda in Tiraspol in Moldova; date not given: "Is That the Man Who Will Topple Yeltsin?"]

[FBIS Translated Text] [Anda] What is wrong with Russia?

[Lebed] Chechnya was a definite mistake! The result is that Groznyy is completely destroyed and reconstruction is not possible.

Those who claim that taking Chechnya would again bring money into Russian coffers are wrong. As much as 10 years will be necessary for the reconstruction of the oil industry alone. Thus, we face only losses.

[Anda] What is the mood in the military like?

[Lebed] It is more negative than positive! The officers were turned into transgressors in Chechnya—and then they were left in the lurch with their alleged guilt.

Dudayev has been president of Chechnya since 6 January 1991. He is therefore one of the longest serving presidents on Russian territory. If he is a criminal—as is now being claimed—why was he tolerated for three years and three months?

Why was Dudayev offered enormous amounts of weapons and ammunition free of charge?

It is not possible to restore the constitutional order with artillery, air raids, and tanks.

[Anda] Should President Yeltsin resign?

[Lebed] Control of the state is lost! Russia is increasingly turning into a boat without a rudder. The situation worsens every minute President Yeltsin stays in power. This will lead to a major social explosion. It will spread everywhere—not only in Russia....

[Anda] Who can protect Russia against this collapse?

[Lebed] Perestroyka started 10 years ago. Since then, it has not been clear: Where are we running? Why are we running? And do we have to run at all?

We must stop and think. Russia is an enormously rich country. Russia has always had, has, and will have a great number of people with brains. However, the power infrastructure must not be made up according to personal devotion but on the basis of character and competence.

We must stop and think, and cease lying to ourselves! Then things will improve again.

[Anda] Nationalist leader Zhirinovskiy claims that only he can save Russia....

[Lebed] This is not true. Zhirinovskiy is a dangerous clown. Who will maintain relations with a state whose leaders are scoundrels?

[Anda] Will you run for the president's office?

[Lebed] No, I voluntarily joined the army, and I will stay there. I love the army.

[Anda] What can the West do to help Russia?

[Lebed] The West must not isolate us! One cannot isolate one-eighth of the world—this is Russia's size—even if one would like to.

The truth is that 17 percent of Russia is contaminated—by leaks from nuclear power plants, deteriorating chemical plants, and outdated oil industries. If a social explosion should occur in addition to these problems, we will all feel the consequences—like Chernobyl, only worse!

One should not help Russia out of love. One must help Russia to help oneself!

[Anda] What are Russia's weaknesses?

[Lebed] Our main disease is that many want to live as in the West—but work according to socialism! This is not possible.

[Anda] The Russian mafia is becoming increasingly active in Germany....

[Lebed] The Western states that were so interested in removing the Iron Curtain and who strongly advocated human rights are now feeling the consequences: Over 50 percent of our mafiosi are in Germany.

[Anda] Should the borders be closed again?

[Lebed] The partnership with the West has progressed so far that it makes renewed isolation impossible. It is the duty of all of Europe not to let Russia sink into civil war. What is spent to prevent that is nothing in comparison to what will happen if Russia collapses....

[Anda] Do Russians still believe in the politicians?

[Lebed] Eight out of 10 people lost interest in politics a long time ago. They do not care who is in power—fascists, communists, or Martians. He who satisfies people's basic needs: clothing, shoes, food, and a home, will find supporters.

[Anda] Is the Russian soul dead?

[Lebed] No, it is alive.

[Anda] Why are you a national hero? Why are people fascinated by you?

[Lebed] Like no other people on earth, the Russians have learned to believe in miracles. Like no other people they need a guiding star in the sky to know where they should go. After 10 years of turbulent conflicts, they no longer know where to go. Maybe they think I know the right way.

[Anda] Do you know the right way?

[Lebed] Anybody who says that is a liar. Yet I know one thing: One must work hard—silently but hard—for oneself, one's children, and one's fatherland.

Japanese Envoy: Tokyo To Strengthen Ties With Far East

LD1802160095 Moscow INTERFAX in English 1403 GMT 18 Feb 95

[FBIS Transcribed Text] VLADIVOSTOK, Feb 18 (Interfax)—As the Japanese Ambassador in Russia Koji Watanabe told a news conference in Vladivostok on Saturday, the main goal of his visit to Russia's Far East is to exchange views with the local leaders and get acquainted with the economic and political situation. The Japanese ambassador pointed to the important role played by the region in relations between Russia and Japan, and proclaimed his intention to contribute to their further development.

The two countries have already worked out a number of joint projects designed to strengthen cooperation between Russia's Far East and Japan, Watanabe said. Japan intends to open a center for learning management in Vladivostok in the framework of giving Russia technical assistance.

Besides, Watanabe said, a fund has been created to promote small and medium-size businesses in Russia's Far East. The program to be accomplished in the framework of the fund was worked out by the European Bank for Reconstruction and Development together with Japan's government, which allocated $50 million for its implementation.

On Friday he conferred with the commander of Russia's Pacific Fleet Igor Khmelnov, the Japanese ambassador noted. They discussed the possibility of Japan's aid in building facilities for storing and processing liquid radioactive waste locally.

Preparations for Russian-German Exercises Halted

LD2102164895 Moscow ITAR-TASS in English 1602 GMT 21 Feb 95

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[FBIS Transcribed Text] Bonn February 21 TASS—Preparations for the Russian-German military exercises have been completely stopped, a representative of the German Defence Ministry told ITAR-TASS here today.

Russia has not put forward new proposals on the joint exercises, said the representative. In early January, 1995, German Defence Minister Volker Ruehe reported that the Russian side had postponed the joint exercises scheduled for summer 1995 near St. Petersburg.

It is now hard to predict the German reaction to possible Russian proposal on new time of the exercises, said the representative. It is now rather a political question related to Chechnya among other things, he stressed.

Turkish Diplomat: Russia's Stability Very Important

LD2002142995 Moscow ITAR-TASS in English 1320 GMT 20 Feb 95

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

[FBIS Transcribed Text] Moscow February 20 TASS—Stability of the Russian Federation is of great importance to us now, Turkish Ambassador to Moscow Bilgin Unan told ITAR-TASS today.

"We attach great significance to this question not only because of the Chechnya problem—Turkey as a neighbouring country sees general stability of the Russian state as a most important factor," the ambassador said.

The Turkish diplomat pointed out that many Turkish citizens had relatives in the Caucasus, and the Chechnya war evoked a mixed emotional reaction in Turkish society.

As concerns the Turkish Government, it keeps to its foreign policy course and stresses the importance of preserving Russia's territorial integrity.

The ambassador, who in the past was in charge of Turkey's relations with NATO, expressed confidence that the North Atlantic alliance and Russia would be able to find a formula for bringing about an effective partnership.

"This process will probably develop gradually and take time to make its results visible," the Turkish ambassador said in an interview with ITAR-TASS.

"But the first step has already been made, and a very important step: It promises Russia's participation in the activity of the North Atlantic Cooperation Council," he said.

According to Turkey, Russia should be accepted as a member of the European institutes, including the Council of Europe. Russia's positive participation is necessary for the future of the entire continent, the ambassador said.

Speedy Settlement in Middle East Meets Russia's Interests

LD2002182495 Moscow INTERFAX in English 1637 GMT 20 Feb 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Feb 20 (Interfax)—The speedy establishment of peace in the Middle East meets Russia's strategic interests in that part of the world, Interfax was told by the director of the Middle East and North Africa section of the Russian Foreign Ministry Vladimir Gudev.

According to him, during the past few months the Mideastern peace process came to face a number of difficulties in all three key directions: Palestinian-, Syrian- and Lebanese-Israeli.

The diplomat partly accounted this lack of progress to difficulties with guaranteeing security in Palestinian territories, especially in the Gaza Strip.

The acts of terrorism there greatly destabilized the situation and served as a pretext for the Israelis to postpone the implementation of their promises, in particular concerning the withdrawal and transfer of troops in the West Bank of the Jordan. As a result elections in Palestinian territories were put off, Gudev stressed.

He said that Tel Aviv's introduction of tough restrictions for several categories of Palestinians living in the Gaza Strip added social tension.

In these conditions Russia as a co-chairman of the Mideastern settlement found it necessary to intensify contacts with the sides to the talks, Gudev said referring to the recent visit to the region by the Deputy Foreign Minister Viktor Posuvalyuk.

The diplomat announced that the purpose of the deputy minister's visits to Israel, Jordan, Syria and Lebanon was to hear the opinions of the sides and develop joint ways of further advancing the peace process.

After his Mideastern tour Posuvalyuk went to Washington where an international meeting for the Middle East was held on February 12 attended by President Bill Clinton, Vice-President Albert Gore, Secretary of State Warren Christopher as well as the foreign ministers of Egypt, Israel, Jordan and the Palestinian leader Yasir 'Arafat.

Gudev stressed that the Washington meeting should be viewed in the context of the search for ways of overcoming failures, primarily in the Palestinian-Israeli direction.

Russia believes the situation in the Middle East requires urgent effective efforts to preserve the dynamics and achieve progress at the talks on a settlement. "The stress should be on stopping terrorism and violence that destabilize the situation and threaten the process of talks," the section chief said.

He hoped that tangible steps will also be taken in the Syrian-and Lebanese-Israeli directions. "It is essential that the process should not be interrupted. The sides realize that there must be no retreat and look for compromise solutions to the existing problems," the diplomat stressed.

In his opinion the strategic choice of peace confirmed by the sides is a reassuring thing. "However, Tel-Aviv and Damascus see ways of achieving it differently," Gudev emphasized.

In his opinion one should not expect concrete positive shifts soon in either Lebanese-or Syrian-Israeli relations burdened by decades of war and confrontation.

Besides, the diplomat said, very high stakes have been made in the current political game: the future of people and nations, the future political map of the Middle East.

Gudev said a certain imprint on the Mideastern negotiations is left by the coming elections in Israel and the USA.

"There are two schools of thought. One favors the acceleration of talks to achieve tangible results before Israel and the USA plunge into their election campaigns. The other believes that too little time is left and quality should not be sacrificed for unnecessary haste", the diplomat said.

Gudev announced that during his stay in the Middle East Posuvalyuk discussed the coming visit to the region of Foreign Minister Andrey Kozyrev.

"A general understanding was reached that Kozyrev would tour several Mideastern countries at the end of March - the beginning of April", Gudev said.

Russian Spokesman Cited on Tehran-Moscow Nuclear Ties

LD2202101295 Tehran IRNA in English 0845 GMT 22 Feb 95

[FBIS Transcribed Text] Moscow, Feb. 22, IRNA—A Russian Foreign Ministry spokesman here Tuesday stressed that Tehran-Moscow nuclear cooperation will not pose any threat to world community.

Asked to comment on Russia's latest stand on Washington's threats against nuclear cooperation between Iran and Russia, Mikhail Demurin, said that Tehran-Moscow nuclear cooperation will not stop.

Speaking in a press conference, Demurin said Russia has repeatedly announced its clear stand in this regard during the recent weeks. The spokesman said Iran is a signatory to the Nuclear Non-Proliferation Treaty (NPT) and has had close cooperation with the International Atomic Energy Agency (IAEA). He further commented that only the latter case suffices for the world community not to be concerned about Tehran-Moscow nuclear cooperation.

The U.S. officials over the past few weeks have renewed baseless allegations that Iran is after nuclear weapons. The U.S. has called on Russia to stop cooperation with Tehran in nuclear energy. However, Washington's attempts have failed and received negative reactions from Russia.

Plans To Store Decommissioned Reactors on Kola Reported

BR1702104395 Oslo AFTENPOSTEN in Norwegian 16 Feb 95 p 2

[Report by Ole Mathismoen: "Unknown Nuclear Stockpile 100 Kilometers From Norway"]

[FBIS Translated Text] As many as 200 reactors from scrapped nuclear submarines will be stored in a secret sea tunnel in Ara Bay on the Kola Peninsula—about 100 kilometers from Norway.

The reactors come from nuclear vessels which have been dismantled or will be dismantled in the coming years. The dismantling process will take place at the Nerpa shipyard on the Murmansk fjord and to the east in Sevrodvinsk on the White Sea. A license was recently granted to store the reactors there for up to 80 years.

The fuel in the reactors will be removed and stored temporarily at the shipyards and in other locations on the Kola Peninsula before it is eventually sent to Majak in Siberia. In the meanwhile the reactors will be hauled to Ara Bay, about 100 kilometers from Norway, and stored in a tunnel dug during the Cold War to hide strategic nuclear submarines. It was never used for this purpose, however.

"This information came as a surprise to us. It is also not generally known, either in Murmansk or in other places on the Kola Peninsula," said Thomas Nilsen of Bellona [Norwegian environmental organization]. He heard that a license had been granted from Anatoliy Prochorov, who is in charge of the inspection of nuclear activities at shipyards on the Kola Peninsula. Rear Admiral Valeriy Panteleyev of the Northern Fleet has also told Bellona that storage in the tunnel is very much on the agenda.

The tunnels in the Ara Bay are half full of water. The reactors will be hauled in, and when the tunnel is full, a dike will be built in front of the opening so that the water can be pumped out. However, it will take at least 10-15 years before all of the decommissioned submarines have been dismantled. A storage license good for up to 80 years has been granted for the tunnels in the expectation that a permanent disposal site for highly radioactive waste will be built on the Kola Peninsula or Novaya Zemlya.

"We are concerned that hundreds of used nuclear reactors are to be towed into the tunnels. Several years might pass before they are filled up and the water pumped out. This type of storage for used reactors is not reassuring," Nilsen said. Even if radioactivity in the reactors is halved over the course of 100 years, it will still be highly radioactive waste."

New Shipyard

In recent months Western European attention has been focused on the shipyard city of Sevrodvinsk, south of Arkhangelsk and to the east on the White Sea. Scores of decommissioned submarines are laid up there, and people wonder how this shipyard can manage to properly dismantle all the submarines which will be decommissioned due to age or as a result of the START II agreement on disarmament.

While the world has been concerned about activities in Sevrodvinsk, Russian authorities have built a new facility for dismantling submarines a few hundred meters east of the old naval shipyard in Nerpa on Olenaya Bay at the end of the Murmansk fjord. For many years Nerpa has been a closed military facility, a naval shipyard for repairing the Northern Fleet's surface vessels and submarines.

Thomas Nilsen of Bellona recently met several centrally placed people connected with the North Fleet and had the activities at the Nerpa base confirmed.

"Construction has progressed quite far. The facility will be finished as early as the summer of 1996," Nilsen said, who inspected the shipyard himself last week.

"Shark Jaw" from the United States

A large, covered dry dock is already complete, another is under construction, and work has begun on a new slipway to bring the vessels into the docks. The facility is designed to dismantle, or decommission as it is termed, the so-called second generation of nuclear submarines built during the 1960's and 70's. These are the vessels of the Yankee I-II, Charlie, Papa, and Viktor I-II classes. A total of about 100 of these vessels was built. The facility in Nerpa should be able to decommission up to six submarines a year. A so-called "shark jaw," which will take care of the actual cutting-up of the enormous submarines, has been delivered from the United States, while the Russians themselves are building the rest.

A total of about 150 nuclear submarines which together have 280 reactors will be dismantled in coming years. Just over 70 have already been taken out of operation, and about 20 of these are laid up in Sevrodvinsk. The rest are docked at various naval bases on the Kola Pensinsula. Some of them have already been laid up, with their fuel intact, for over 15 years. There is a total of 130 reactors in the submarines which have been laid up. Only a few of the 150 vessels have been completely dismantled.

Moscow Welcomes UN Approval of Gas Deliveries to Yugoslavia

LD2102170395 Moscow ITAR-TASS in English 1601 GMT 21 Feb 95

[By ITAR-TASS diplomatic correspondents Vladimir Suprun and Vladimir Taranov]

[FBIS Transcribed Text] Moscow February 21 TASS—A resolution of the U.N. Committee for Sanctions that approves of the requested Russian gas delivery to Yugoslavia is "the victory of the international community and all forces seeking settlement of Yugoslav conflict," a representative of the Russian Foreign Ministry said here today.

He said the committee has for the first time agreed to large-scale exports of natural gas to Yugoslavia.

The diplomat expressed the assurance that the Russian deliveries to be made under strict international control will have a favourable influence on the Yugoslav economic situation.

The aforesaid resolution resulted from long efforts of the Russian diplomacy aiming at a basic approach of the contact group to Yugoslav settlement—encouragement of those who choose peace.

Moscow Eases Customs Requirements for Kiev, Minsk, Almaty

LD1702142495 Moscow ITAR-TASS in English 1240 GMT 17 Feb 95

[By ITAR-TASS correspondent Yuriy Sidorov]

[FBIS Transcribed Text] Smolensk February 17 TASS—"Russia's customs requirements will be made easier with respect to goods arriving from Ukraine, Belarus and Kazakhstan," first deputy chairman of the State Customs Committee of the Russian Federation Valeriy Kruglikov said in an interview with ITAR-TASS today.

Kruglikov said the organisation of work in new conditions is high on the agenda of the council of the Western customs department which met in Smolensk on Friday.

"The signing of a customs union by the leaders of Russia, Ukraine, Belarus and Kazakhstan radically changed the meaning of work of these republics' customs officers. Goods from these countries will be subject to minimal inspection and that only for purposes of statistics and for purposes of preventing imports of banned products. Our customs services will switch to a new system of work in stages," Kruglikov said.

The customs official stressed that customs offices had always played and continued to plav a major role in replenishing the budget with currency. In this respect, the Russian customs did a good work last year. They channeled to the state budget 14.2 billion roubles, and expect to contribute 23.3 billion roubles this year, he said.

Kruglikov said the customs service of the Russian Federation had declared an all-out war against the narcobusiness which has been on the rise lately. While earlier the international drug traffickers used Russian territory as a transport artery, the development of market relations, the free circulation of dollars and open borders stimulated a jump in the import of drugs to Russia.

"We shall use world experience and amass our own experience and skills to fight this scourge," Kruglikov said.

The Western department of the Russian Federal Customs Service bring together the customs offices of 16 regions in European Russia. The Smolensk region has a place of its own as it stands on the Russian border and is one of the oldest in Russia.

Last year, the Smolensk customs officers levied 2.5 billion roubles in fines, and confiscated goods and materials worth double that sum.

At present, Russia derives 26.2 roubles in profits from every rouble invested in the customs services.

Political Issues

Chernomyrdin Report on Local Government

MM2102135495 Moscow ROSSIYSKAYA GAZETA in Russian 21 Feb 95 pp 1-2

[Country's Fate Being Determined in Russia's Cities and Villages. Report by Russian Federation Premier V.S. Chernomyrdin 'On the Implementation of the Constitutional Provisions on Local Self-government and the Organization of State Power in Russian Federation Components' At the All-Russia Conference"—report delivered at All-Russia Conference on the Organization of State Power in the Russian Federation Components in the Kremlin on 17 February]

[FBIS Translated Text] Esteemed President!

Esteemed conference participants!

We are meeting today to discuss a range of problems which, I am profoundly convinced, are key problems both for the fate of reform and for the fate of Russia. Yesterday in this auditorium Boris Nikolayevich Yeltsin addressed the Federal Assembly and, effectively, the entire country with his latest presidential message. Its theme, which continues the strategic theme of last year's presidential address, was ensuring the effectiveness of state power in Russia.

Present-day Russian statehood is virtually at the formation stage, it is maturing and growing along with civil society, the people, and reform. And even the reforms are now taking on a new dimension, relying on a broad spectrum of state institutions that are being renewed and newly created, and on the continually accumulated experience of state building in the conditions of the transition to a market economy.

Russia's constitutional development is typified today by considerable dynamism. Both chambers of the Federal Assembly are working actively. An executive "hierarchy" is taking shape. The government is making efforts to ensure its effectiveness.

The judicial system is largely being shaped anew. A new system of organs of state power is taking shape in Federation components. The Russian president really cements all the branches of power.

At the same time, needless to say, by no means everything is going smoothly. The novelty and complexity of the tasks being resolved are giving rise to many problems, to which are added" our own inefficiency and lack of organization, our inertia and inability to keep one step ahead or to find and implement a balance between general state, regional, sectoral, and corporate interests on the one hand, and citizens' interests on the other.

It is no exaggeration to say that a most important component in assimilating the new administrative techniques is the organization of state power at regional level and the implementation of the constitutional provisions on local self-government After all, it is in the regions and the territories that Russians live and work, that the formation of a rule-of-law state and the institutions of a civil society are taking shape in practice, and that the new quality of people's democratic self-organization is growing.

It is there, in innumerable Russian cities and villages" that the fate of the country, the fate of the people is being determined. That is why the subject of our discussion today is so timely and necessary.

Just what is local self-government from the standpoint of the Russian Federation's fundamental law? It means first and foremost ensuring the independent resolution by the population of questions of local importance, and the ownership, utilization, and availability of municipal property.

Organs of local self-government shape and execute the local budget, set local taxes and imposts, and safeguard public order on their territories. In short, they deal with the entire range of local problems, relying both on historical traditions and on the special features of the territories.

The constitutional provision that local self-government is autonomous within the confines of its powers is very important. And it is a no less fundamental point to note that organs of self-government are not part of the system of organs of state power. At the same time, they can arrogate certain state powers whose implementation comes under state control.

Of course, these initial constitutional provisions on local self-government require practical concretization and the elaboration of mechanisms to bring them into action.

There has been a lot of confusion and uncertainty owing to the inadequate work done on these issues. The recent Duma hearings on regional policy cited the following example—the Komi Republic Constitutional Court was asked to rule on whether the Syktyvkar City Administration was a state organ or an organ of local self-government.

It turns out that if it is a state organ, any issue of securities by it should not be taxed, whereas, if it is an organ of local self-government, they will be taxable. And there are plenty of examples of that kind.

Prior to the adoption of the current Constitution local **self-government** was traditionally seen as a type of **state** administration at local level. This tradition is even now reflected in kray and oblast charters [ustavy] that have been drawn up or have already been adopted, and in laws passed by a number of Federation components.

Organs of local self-government have been included in the system of organs of state power, and the rights of local self-government in regulating questions of land use and the independent management of municipal property—particularly on the question of its privatization—

have been violated. There have been cases of organs of state power infringing the powers of local authorities, and much else besides.

In practice the regional administration heads who were appointed by organs of state power are often deemed to be the leaders of local self-government organs—which runs counter to the provisions of the Constitution.

The mechanism for cooperation between organs of state power and organs of local self-government has not been worked out. The question of how organs of state power should react to breaches of legislation by organs of local self-government has not been decided.

And, on the other hand, how is the potential of self-government to be used to curb the appetite of the burgeoning and often corrupt state bureaucracy?

Finally, how should organs of local self-government be developed if they cannot exist relying exclusively on their own sources of finance?

Our normative base has not yet been reoriented from state administration to local self-government.

Here is a very simple example—our family and marriage law recognizes marriages that are registered solely by state organs, but not by organs of local self-government. This also applies to administrative legislation and to other sections of the law. This entire range of problems should be resolved consistently, in accordance with the Constitution.

The law "On Local Self-government in the RSFSR" that was adopted in 1991 no longer corresponds to the new Russian Federation Constitution and cannot be applied fully.

The federal authorities are now facing the most important task of reinforcing and developing the constitutional provisions on local self-government through a corresponding federal law.

Relying on it, organs of state power in Russian Federation components will be able to adopt their own legal acts that flesh out the organization of local self-government in the light of local traditions and possibilities.

By way of implementing the plan for priority measures to implement the Russian Federation president's first message to the Federal Assembly, the government has drawn up a draft federal law "On the General Principles of the Organization of Local Self-government in the Russian Federation."

In December 1994 the president submitted it to the State Duma. You have copies of this draft law. We will refer to it henceforth as the "presidential version."

Here are a few words about its main provisions.

First. The draft law is based on legal norms that make it possible—using the foundations of the Russian Federation constitutional system, human and citizens' rights and freedoms, and the principles of the Russian Federation's federal makeup—to ensure the independent resolution of issues of local importance by Russian citizens.

Under the Constitution, the draft law envisages one level of local self-government (unlike the system of soviets, which envisaged the existence of several such layers and their cosubordination). Thus, equal powers are being established for all local communities.

This corresponds to the historical traditions of the Russian zemstvo, and is a return to our roots. After all, it was the land reform begun in 1864 by Alexander II that helped the country to emerge from serfdom and rise up "off its knees," and ranked it among the world's greatest powers. Following this, there was an upsurge of national culture and a number of brilliant minds emerged from the provinces. Let us not forget that.

I want to associate myself with Aleksandr Isayevich Solzhenitsyn's words that in our situation the zemstvo system and self-organization by the population are the "only possibility for actually realizing the potential embodied by the people's energy, and the awareness and strength of the people."

I am prepared to agree with this in essence. This is indeed one of the main ways toward the genuinely democratic development of Russia. As for the terminology, I personally find local self-government to be a more modern term. It is a term that includes Russian and world experience. And it is more suited to our present- day state makeup.

Second. The opportunity has been reinforced for the population to independently determine the structure of organs of local self-government, implementing their rights in this sphere through the adoption of a provision (statute) on the self-government of a given local community. And, unlike the system of local self-government that previously existed, the draft establishes that the principle of the separation of powers is not binding for all local communities.

This is very important, since national, historical, economic, and other features of local self-government in different parts of Russia are thereby taken into account.

The draft law pays particular attention to questions of the **financial and economic independence** of organs of local self-government and to determining their relationship in this sphere with organs of state power. The state, as envisaged by the Constitution, builds its financial relations with local self-government on the basis of minimum state social standards laid down by federal organs of state power. As stressed in the president's message, these should be compulsory.

In order to implement state social standards, organs of local self-government will have established sources of income from which the minimum local budget will be drawn up.

If the sources of income available to the local community are insufficient to unconditionally implement these standards, the organ of local self-government must then obtain other sources of income.

Organs of local self-government should look for the funds to develop their territory out of their own economic activity, local taxes, and investments. The state, as a rule, lays down only the ceiling figure for aggregate taxation.

Moreover, this draft law, in accordance with the Constitution and the new Civil Code, recognizes municipal property as being equal to other types of property—which will help to make organs of local self-government considerably more interested in administering it.

The draft law contains a description of the procedures for reforming the system of local self-government to take account of the features of the transitional period.

Here it is also important to make it clear that the main players during this period should be the Federation components. The entire process of shaping the economic, financial, and territorial foundations of local self-government and observing the principles of their interaction with state authorities, will depend on how sensible and effective are the measures that the Federation components take.

The government believes that reform of local self-government in the Russian Federation, which will begin with the implementation of this law, will be mainly carried out by redistributing funds between the different levels of power within the state.

The shortage of skilled cadres is a bottleneck for the formation of an effective system of local self-government. Their training is the priority task for organs of state power.

The competition [konkurs] between programs to elaborate the norms and principles of local self-government organized at the initiative of the Russian Ministry of Nationalities Affairs and Regional Policy is still a kind of schooling for the training of municipal cadres—"without detaching them from the workplace," so to speak.

Currently programs for the formation of local self-government in 13 cities and regions in five Federation components, including the cities of **Ryazan, Kostroma, Shlisselburg, Obninsk, Dzerzhinsk, rural population settlements in Pskov Oblast's Pytalovskiy Rayon, Ryazan Oblast's Skopinskiy Rayon, and others** have been examined within the framework of the competition.

This experiment has already shown that where normal conditions have been created for the development of local self-government, opportunities are emerging for resolving many socioeconomic issues with our own resources.

Here is an example—the city of Yubileyniy near Moscow was set up on the basis of several military institutes and military units—it used to be a so-called "closed" city. Given the features of taxation of servicemen and military units, the city had virtually no tax revenue flowing into its city budget and, consequently, the social sphere and the city's municipal services were virtually doomed to disaster.

The city has now acquired property and gained more rights. More than 700 small enterprises have been set up in the city within a small space of time.

As a result, the residents have obtained jobs, and the city coffers are receiving more than 60 percent of budget revenue from the utilization of municipal property and the taxes on newly created enterprises. The city is living and developing without subsidies.

But, of course, there has been some negative experience as well.

Thus, for instance, industrial enterprises in the city of Cherepovets are producing 80 percent of Vologda Oblast's budget revenues, whereas the city budget is only being 60-percent replenished from its own sources—the rest is supplied as a subsidy from the oblast budget, despite the fact that the city is 28th in the oblast in terms of budget provision! This kind of situation cannot be considered normal.

We need to clearly recognize that **Russia's transition from what is virtually state administration at local level to self-government** will, of course, take a certain amount of time. And we will not be able to do without targeted support from the state in this area. The first federal program of state support has already been drawn up.

I accept the criticism, voiced yesterday in the president's message, that the process of coordinating the program has been impermissibly delayed. The government will in the very near future ratify priority measures to support local self-government.

It is necessary to dwell separately on the alternative legislative acts on questions of local self-government which have been elaborated by State Duma deputies.

These draft laws contain quite a few constructive elements. At the same time, however, some of their provisions are excessively detailed, something which, in general, should have been left to the legislation of Federation components.

One could also argue about the scheme, proposed by the drafters, for the administrative-territorial structure of Federation components which, as is well known, falls exclusively within their own competence, while any changes to the boundaries of territories of local self-government are allowed only with due consideration for the opinion of the population of these territories.

The government believes that, as a basis for the future law, it would be expedient to consider the presidential alternative of the draft law "On the General Principles of the Organization of Local Self-government in the Russian Federation." Of course, when it is considered by the

State Duma, it would be necessary to take into account all rational provisions contained in the other drafts.

Collaboration between the ethnocultural self-organizations of the population is a most important aspect of the development of local self-government in our multinational Russia.

The combination of local self-government and national-cultural autonomy allows the elaboration of practical forms of solutions to Russia's very complex nationality problems which, in turn, makes it possible, without changing territorial boundaries, to find economic and cultural solutions creating at local level conditions for the realization of the interests of all peoples in Russia.

The creation of local national cultural centers, national communities, and national groups is already spreading on a large scale. Russian national cultural centers and communities are already being formed in a number of republics.

Thus, practice engenders forms for the self-organization of ethnic communities which supplement the already existing structure of the country's national life.

It is significant that the constitutions and charters elaborated and already adopted by Federation components confirm the basic provisions of Russia's Constitution which prescribe human and civil rights and freedoms, including equality of rights and freedoms regardless of race, national affiliation, origin, or other circumstances. At the same time, the normative acts in some Federation components occasionally transform these provisions into unilateral advantages for just one ethnic group.

In this context, one of the topical tasks is to create the appropriate legislative base, both by adopting a federal law on national-cultural autonomy (self-organization) and by introducing amendments to existing legislative and other normative acts on this question.

The implementation of constitutional provisions in the sphere of local self-government calls for a fresh look at a series of questions concerning the organization of state power in the Russian Federation's components.

So far we have taken only the first few steps toward the effective implementation of the principles of delineation of areas of jurisdiction in specific spheres between the Federation, its components, and organs of local self-government.

Now the government has prepared an alternative draft law "On the General Principles of the Organization of Representative and Executive Organs of State Power in Russian Federation Components."

The draft lays the constitutional foundations and the principles and jurisdiction of organs of representative and executive power in Federation components, defines the powers of organs of state power in Russia and its components in areas of joint jurisdiction, and regulates the economic and financial basis of the activity of organs of state power in Federation components.

This alternative draft law could be utilized when working further on the corresponding law which was adopted as a basis by the State Duma.

The transfer of state-owned facilities to the jurisdiction of Federation components and organs of local self-government offers a real basis for autonomously solving local issues.

More than 180 government decisions have been adopted on these questions. More than 27,000 enterprises have been transferred to the ownership of Federation components. The interests of Federation components are also taken into account in the management of federally-owned facilities.

More than one-third of housing area and facilities for social and cultural purposes in departmental ownership were transferred to municipal ownership last year alone.

Of course, there is no need to launch here any transient "takeover-handover" campaign. After all, by no means all enterprises are in a hurry to get rid of their social facilities, and the new owners have by no means always thoroughly worked out plans for financing them. The solution of this task will take several years. But it is absolutely necessary to start moving in this direction.

It is, however, time to realize that it is impossible to lay down the economic foundation of local self-government by augmenting municipal property only with social, in other words the really loss- making, facilities.

Organs of local self-government must take charge of infrastructure facilities, land, and other property capable of yielding revenue.

One of the most complex problems of dividing state-owned property between the Russian Federation and its components is **the division of state-owned natural resources** taking into account the interests of local communities in this process.

Work is now approaching completion on the Land Code, Water Code, and other draft laws in the sphere of natural resource utilization. These documents envisage active participation by Federation components, on whose territory natural resources are to be found, in their exploitation and the acquisition of economic benefits from their utilization.

It is, however, worrying that normative acts adopted by organs of representative power in some regions—Buryatia, Bashkortostan, Karelia, Komi, Mari El, Sakha (Yakutia), Udmurtia, and Leningrad Oblast—unilaterally claim that forests, one of the country's most important natural resources, are the property of these Federation components. Moreover, the main expenditure on the preservation and reproduction of forests is still financed from, the federal budget.

In breach of current federal legislation on mineral wealth, laws passed by the Republics of Bashkortostan, Tatarstan, and Sakha (Yakutia) have instituted procedures for the ownership and management of mineral wealth totally without any participation by the relevant federal organs.

A draft federal law "On State and Municipal Lands" is currently in preparation. It defines the criteria, principles, and basis for assigning land plots to state and municipal ownership and the procedure for transferring land plots from state to municipal ownership. The specific characteristics of the use of land under these forms of ownership are defined.

One of the most important conditions for consolidating Russian statehood, strengthening territorial integrity, and developing the regions is **the formation of budgetary federalism—a budget system appropriate to Russia's federal structure.**

The government proceeds on the basis of the principles of autonomy of budgets at all levels, the demarcation of budget powers and responsibility between federal and regional organs of power, and also the universalization of the system of granting financial aid to the Federation components. The draft federal budget for 1995 prepared by the government conforms, in the main, to these principles.

The federal budget income as a proportion of the revenue in the budget system of the Russian Federation shows a steady tendency to decrease. This is evidence of the continuing process of handing over budget powers to the level of the Federation components.

In 1995 the fund for financial support for the regions will be formed on the basis of 27 percent of the total sum of value added tax, which is five percentage points more than in 1994. According to estimate predictions, this fund will amount to more than 14 trillion rubles.

In order to form the income side of the budgets of the Federation in 1995, it is planned, on the basis of unified normatives, to transfer to them a proportion of the contributions from federal taxes, including 25 percent of value added tax. Tax on enterprises' and organizations' profits is paid into the budgets of the Federation components at a rate of 25 percent. Property tax goes into the territories' budgets in full.

The fact that federal authorities often cannot realistically assess the regions' financial potential remains a serious matter. It is no secret that the need for federal aid is not infrequently overstated by the regional organs of power. Here it is clear that appeals and persuasion are not enough. What is needed is reliable methods of substantiating the regions' needs and, first and foremost, methods based on the calculation of estimated financial balances territory by territory.

A situation where the organs of power of the Federation components, while demanding from the center an expansion of their own budget powers, themselves **restrict the financial autonomy of the local self-government** is impermissible. Or, conversely, where local communities try to solve their own problems exclusively with the Russian Ministry of Finance.

Here I would like once again to go back to history and recall the wise words of that well-known late 19th-century historian A. Gradovskiy. On the basis of the experience of the Russian state, he wrote: "A locality will remain without communications if the laying, or even the straightening, of every road depends on a remote central authority. It will remain without the means of combating various troubles...."

As you know, by 1914 the zemstvos' expenditure on health care and education were considerably higher than expenditure from the state treasury. And the rate of growth of revenue in the zemstvos' budgets markedly outstripped the government's budget. I think it is useful for all of us to learn from this experience for the present day.

I must also touch on the **practice of the treaty process between the Russian Federation and its components.** There is much debate over this problem today. Here, in my view, attention should be drawn to the following.

The unity of Russia's legal and economic area is ensured by the supremacy of the federal Constitution and laws.

The Russian Constitution clearly defines the areas of exclusive jurisdiction of the Russian Federation which cannot come under the jurisdiction of its components, and the areas of joint jurisdiction on which powers are distributed between the federal and regional organs of power.

It also makes provision for the possibility of concluding treaties and agreements to act as a **supplementary** mechanism for the demarcation and exercise of powers.

That is the general pattern, the outline, of the approach to the question of the demarcation of areas of jurisdiction and powers. However, in practice the treaty process may not work entirely as one would wish.

An analysis of the documents signed and in preparation shows that certain Federation components sometimes try, by means of treaties, to retain for themselves powers relating to areas of the exclusive jurisdiction of the Russian Federation, to obtain unilateral privileges and advantages, and to establish for themselves, to the detriment of others, a "special status" not envisaged by our country's Constitution.

The government cannot support such aspirations.

By way of self-criticism, it must be said that the federal organs of state power are also guilty in this respect. There was an impermissible delay in preparing the draft law "On the Principles of Demarcation of Areas of Jurisdiction and Powers Between the Federal Organs of State Power and the Organs of Power of the Russian Federation Components," which is intended, among other things, to establish unified requirements for the conclusion of treaties.

Until we have sorted out all these problems—and this must be done without delay—**any expansion of the range of such treaties is impermissible.**

It would seem that, pending the legislative resolution of these questions, the more acceptable path is to conclude specific socioeconomic agreements on areas of joint jurisdiction between the relevant federal organs of executive power and organs of executive power of the Federation components.

I should think that the same path should be followed in demarcating powers between the organs of state power of the Federation components and organs of local self-government on "universal" areas of jurisdiction, such as education, health care, and the protection of public order.

Esteemed conference participants!

This report sets forth only the fundamental approaches and areas of government policy on questions of the reform of local self-government and the organization of state power in the country.

I hope the conference participants, especially those who are directly concerned with these problems in the territories, who encounter them daily and make specific decisions, will suggest to Russia's legislators and federal executive organs how best to construct a system of state power and to organize local self-government, and will share the experience they have accumulated, on the basis of which it will be possible to make constructive decisions.

I am confident that today's discussion will help establish mechanisms of power and consolidate the authority of the law in Russia!

Shumeyko Discusses Yeltsin Address, Elections, Supreme Court

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[Interview with Federation Council Chairman Vladimir Shumeyko by Aleksandr Shashkov; place and date not given; from the "Itogi" newscast—recorded]

[FBIS Translated Text] [Shashkov] Vladimir Filippovich, can you describe the Federation Council's reaction to the president's address?

[Shumeyko] Yes, perhaps, I can. The general opinion, voiced in several speeches, was such that the presidential message could provoke objections on one point only: that of the president saying that there should be no upper limit to wages, in other words, wages for the rich. There should be no upper limit, and people should be allowed to earn as much as they can. As for the rest, the deputies said, the message should be implemented.

[Shashkov] It seems that many people noticed the part in the president's speech in which he spoke about the future elections. He said that there would be elections to the Federal Assembly.

[Shumeyko] The president spoke only about elections to the State Duma and presidential elections, while staying silent about the formation of the Federation Council. We noticed that fact.

[Shashkov] So there should be elections to the State Duma and presidential elections. At one time, you spoke in favor of postponing the elections for two years, if I am right.

[Shumeyko] Correct.

[Shashkov] Has your view changed now?

[Shumeyko] Unfortunately, it has not. You see, it cannot change at all. You see, we are in February but there is no law on presidential elections, no law on elections to the State Duma, no law on the formation of the Federation Council, no law on elections of heads of kray and oblast administrations, and no law on the local self-administration which was discussed today. At the very beginning I said that the deputies currently in office would not be able to adopt such an enormous number of state laws, laws aimed at building the state and creating a new political system and that two years is a short term which should be turned into the constitutional term of four years. A curious thing is taking place: on the one hand, there is a backlog of laws, but on the other hand, if the term is not extended, how should the elections be held? Once again we find ourselves at a political impasse.

[Shashkov] Nevertheless, Vladimir Filippovich, the elections will take place, to all appearances....

[Shumeyko, interrupting] They must take place and politicians must understand that if the elections do not take place as they should it will be very difficult to talk about creating a normal democratic society and a normal law-based state. These will be empty words then.

[Shashkov] Are you going to take part in the elections?

[Shumeyko] Right now I do not know.

[Shashkov] What about not as a voter?

[Shumeyko] Hardly not as a voter because...how should I put it? I do not want to be a State Duma deputy.

[Shashkov] And to be a president?

[Shumeyko] Presidential elections will be held only in 1996. The law on presidential elections has been adopted at its first reading and practically does not exist. But this is what is already in it: in order to become a presidential candidate one has to collect 2 million signatures from Russian citizens, and these 2 million cannot be collected in the same region. So to physically collect 2 million within two months—I would like to see how many signatures today's presidential candidates will collect. I am curious, too, perhaps, to see how many signatures will be collected for me, just to know. But for the time being I cannot speak seriously about becoming a presidential candidate. In my view, what Russia needs today is not endless elections but stability, precisely stability.

Many politicians present the situation in the following way: As soon as a new president or a new government comes in, Russia will enjoy a wonderful life. This is rubbish and bluff. This president should work for two terms, at least. You see, democracy in Russia exists only in the letter of law while generally speaking the country lives in a state of moderate anarchy because the laws that have been adopted are virtually being ignored, because there is no democratic system, no local self-rule, and no civic society. Russia has only just turned away from a centralized totalitarian system toward a market economy and democracy, but some people are already saying let us make another turn. It is impossible. To be a president in Russia, in my view, is a most difficult job. I can observe how much our President Boris Nikolayevich works, and it is a most difficult job with enormous responsibility.

[Shashkov] Can our politicians be afraid of hard work?

[Shumeyko] Well, many are. For instance, I was very sharply rebuked by deputies after, at my own initiative and together with Ivan Petrovich Rybkin, I wrote a letter to the president asking him to make us permanent members of the Security Council. After this, many people told me the following: Vladimir Filippovich, you should not have done this because, having become a permanent member of the Security Council you now share responsibility with the others. And since you are our chairman, this responsibility, albeit indirectly, falls on us, too, but we do not want it.

[Shashkov] Incidentally, Vladimir Filippovich, the Security Council started to be mentioned after the president made the decision to send troops to Chechnya, and immediately views emerged to the effect that a party of war and a party of peace existed in Russia's upper political circles. Has the Federation Council split into two camps on the situation in Chechnya?

[Shumeyko] You see, the name vote was the most telling thing at the meeting when this issue was discussed: Who is in favor of withdrawing the troops immediately? Only 19 people voted for withdrawing the troops. There is neither a party of war nor a party of peace in the Federation Council. Exactly as everyone else, the Federation Council condemned the senseless bloodshed that occasionally took place there. It condemned the losses among peaceful civilians and the unjustified losses among the military. But the Federation Council understands fully that that was the only way out of the situation that had taken shape. If people are now pointing at the Security Council and saying that it is a party of war it is, perhaps, because the Security Council was brought back from oblivion in connection with the Chechen events. The fact that it existed and worked and held regular meetings throughout was somehow neglected. It has even been described somewhere as a second Politburo. Nothing of the kind, absolutely no similarity! The Politburo was a body that made all kinds of decisions, on cadres, [word indistinct], you name it. But the Security Council has a strictly limited remit, and what it can do at the moment, from the point of view of Russia's security, is to agree or not.

[Shashkov] All right, let us come back to the Federation Council. Vladimir Filippovich, according to you, the Federation Council was unanimous enough in supporting the action in Chechnya. How do you explain the fact that the Federation Council has appealed to the Constitutional Court with regard to this matter?

[Shumeyko] For this very same reason. The fact is that when the president was making his decision.... [pauses] Nothing at all has been used of what the constitution says about the prerogatives of the Federation Council. There is a convention of the United Nations permitting the use of armed forces for resolving domestic conflicts in some cases. This is one of the cases outlined in that convention: an unconstitutional army on the territory of a sovereign state, and a very strong and powerful army at that. A lot has been said in this connection, to the effect that the army has failed shamefully in Chechnya, that young soldiers are incapable of anything, that there is no interaction, and so on. But you just think of another thing: One and the same army is involved in the war. Who is Dudayev? A Soviet general and not the least of Soviet generals. The result is that the Soviet Army is split into two and the two parts are fighting, except that on the one side the men are 35-40 years old and are morally hardened, and also they are on their own territory, while the others are young lads and so on.

So, the president, using his presidential right and using the constitution and international conventions, acted the way he did and decided the way he decided. But to establish the historical truth, it is necessary that a body such as the Constitutional Court should consider this matter in detail and decide how, why and for what purpose all this took place. Without this, it would be very difficult for our society to live on.

[Shashkov] Vladimir Filippovich, quite recently the Federation Council completed the formation of the Constitutional Court by electing the last judge. Now it is possible to appeal to the Constitutional Court, but one vacancy still remains in the structure of authority—the vacancy of the procurator general. They say the Federation Council is planning to discuss this issue in the near future.

[Shumeyko] This issue is being discussed all the time, in one way or another. The president has suggested that both parliamentary chambers should work on a draft law on the procuracy-general, adopting it as soon as possible. Once we have this law, it will cover the procurator and his deputies, but it will or will not provide for an acting position. All of this talk about the possible candidates for procurator general should be put off for a while, all the more so that in my opinion Aleksey Ilyushenko is doing an excellent job.

[Shashkov] How long do you think the law on procurator general's office will be discussed?

[Shumeyko] I do not know for how long. If both the Duma and the Federation Council adopt a law on the procurator general's office, the president will have no excuse, so to speak, and will have to nominate a candidate to the post of procurator general, either the same or a new one.

[Shashkov] Thank you.

Inner Workings of Security Council, Members Described

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[Interview with unnamed Russian Federation Security Council staffer by Roman Podoprigora: "Shannon Airport: Yeltsin Sleeps, Soskovets Holds Talks. Security Council: Lobov Remains Silent, Yeltsin Soberly Assesses Situation"]

[FBIS Translated Text] It was surprisingly easy arranging this meeting with my interlocutor—a senior staffer of the Russian Federation Security Council apparatus. But despite the fact that he expects to be resigning his post soon, the proviso was that we should not publish his name—"You know how things are these days." At the same time, he assured me that all the facts cited in the conversation were genuine.

[Podoprigora] They say that recently the Security Council has come to strongly resemble the CPSU Central Committee Politburo. Do you think this is true?

[Staffer] I do not think you would dispute the fact that every country must have an organ to elaborate current and strategic state policy from the viewpoint of its security. In the United States, for example, this role is performed by the National Security Council, in Britain it is the Inner Cabinet of ministers, and in the former socialist countries, including ours, the organ in question was the Politburo.

[Podoprigora] You have been present at a number of Security Council sessions. From what you have seen, what do you think of Yuriy Kadmykov's pronouncement in KOMSOMOLSKAYA PRAVDA, when he said that the Security Council "voted first and discussed later"? Do you get a clash of opinions there or does one opinion—the president's—hold sway?

[Staffer] Not at all. On many occasions I have witnessed arguments, properly conducted of course, and mutual criticism. The fiercest fight I remember was between Pavel Grachev and Andrey Nikolayev, when the defense minister tried to take over the border forces completely. Generally speaking, he is pretty firm at the sessions in his protection of the Defense ministry's interests, in fact I believe he is too hard. As a rule, Shakhray is very clever. On several occasions he has tried to blame someone else for his own actions and he has been strongly censured by the president for it. Kozyrev too has often gotten into trouble with Boris Nikolayevich for making ill-prepared pronouncements—you get the feeling that Kozyrev prefers to wait until he is in the car before he familiarizes himself with the topic of discussion. Primakov is always very cautious and laconic. Yerin adopts a pretty realistic stance on most occasions. Nikolayev is usually laconic and pensive, putting forward proposals that actually can be put into practice. Chernomyrdin is brief, but to the point. Although I find it difficult to name anyone who has seriously contradicted the president.

[Podoprigora] What is the role of Security Council secretary Oleg Lobov?

[Staffer] He is a Yeltsin man, of course. They have been close since the Sverdlovsk CPSU Oblast Committee days. Certainly Lobov is a very experienced and cautious leader, who very rarely indeed comes up with his own initiatives and in effect expresses the president's will. As one who has devoted many years to construction in his party work, he tends to deal with matters of construction and economics in a traditional Soviet style and is far removed from problems of internal security and foreign policy. Basically, he is a pretty colorless leader, perhaps distinguished only by his antipathy toward Chubays and his entire privatization program. And even when the president made it clear that it was no good interfering in that matter, he bit his tongue.

[Podoprigora] Is it easy for Lobov to get an audience with Yeltsin?

[Staffer] As a rule, they meet weekly and the Security Council secretary spends 30-40 minutes reporting to the president on the implementation of the tasks set before him and informing him of what he regards as the most topical political and economic problems. I must say that Boris Nikolayevich listens to his proposals, but Lobov does not have a particular orientation, political line, or his own stance. It is no accident that his obedience has won him many points in Boris Nikolayevich's eyes of late, as the president has faced a storm of criticism from right and left. It is not inconceivable that in the future, nearer the presidential election, when Yeltsin will have to strengthen his positions backed up by reliable and devoted executives without any ambitions, Lobov could be premier.

[Podoprigora] No so long ago there were reports in the paper that at one conference the president had made some unprintable comments about the leaders of certain federal structures. Do you remember anything of this kind?

[Staffer] Absolutely not. Boris Nikolayevich, to give him his due, is always very proper and very composed. Unlike his predecessor, he addresses everyone formally, using first name and patronymic, and has never stooped to using swear words, as far as I know.

[Podoprigora] Since Russia's leader slept through the meeting at Shannon, he has had something of a reputation....

[Staffer] I know what you are getting at. Indeed, when you watcn the television you sometimes get the impression that Boris Nikolayevich has had one too many. I don't know. I don't remember his being unfit to work at any Security Council session I have attended. Although I believe that there is a very serious drunkenness problem in the top organs of Russian state power. It is known, for example, that the defense minister often takes things other than tea during working time and that first vice premier Soskovets is not a member of the temperance society either. There are others too. You cannot keep that kind of thing secret. It seems to me that this not only hinders the normal functioning of state power but also undermines a leader's authority.

[Podoprigora] Do presidential aides Ilyushin and Baturin and his security service chief Korzhakov get invited to Security Council sessions?

[Staffer] Ilyushin, as a rule, attends all the sessions. Since he was appointed the president's security aide, Baturin also attends them, although he was not invited to some of the sessions on Chechnya for some reason. As for Korzhakov.... All I do know is that it was not Korzhakov at all, but Filatov, Shakhray, and Stepashin who worked hard in the fall of 1994 to support Avturkhanov's grouping in Chechnya, supplying it with weapons, including heavy armaments, and doing their utmost to encourage Boris Nikolayevich to consider the idea of using this grouping to start active combat actions against Dudayev. Although at that stage of the development of the crisis there were plans for actions involving the use of other methods, which would not have resulted in so much bloodshed.

[Podoprigora] An air crash involving Dudayev, an attempt on his life, a palace coup?

[Staffer] Let us not talk about that. All I will say is that, as far as I know, such options were not discussed at Security Council sessions. Although in the West, in the United States in particular, the military and the CIA actively use similar options against people whose actions are detrimental to U.S. national security.

[Podoprigora] Do you often get people attending Security Council sessions who are not members?

[Staffers] Well, as a rule they are leaders of the Security Council apparatus. Sometimes people are invited to discuss specific matters. But in general Boris Nikolayevich regards the Security Council as the sanctum sanctorum and is at pains to ensure that outsiders are not admitted to the chamber. For instance, in February 1992, when the question of the Russian Federation financial and banking system was being discussed, the president gave instructions not to admit Finance Minister Boris Fedorov to the session. According to certain special services chiefs at the time, he had on occasions been too candid with foreigners.

[Podoprigora] How full is the Security Council's information?

[Staffer] The Security Council gets information from many ministries and departments, but I would not say that it is complete and objective. If they do report anything else when the questions, planned well in advance, are being prepared, very few data reach the routine session. The power structures try to report direct to the president, thus speeding up the process, and as a consequence the Security Council often finds itself in a vacuum. The Foreign Ministry does not send any materials at all. You get very little from the Internal Affairs Ministry. The most detailed and systematic information comes from the FGCIA [Federal Government Communications and Information Agency] and GRU [Main Intelligence Directorate] and, to some extent, from the FIS [Foreign Intelligence Service] and FCS [Federal Counterintelligence Service].

[Podoprigora] What is the Security Council apparatus?

[Staffer] The composition of the apparatus has changed repeatedly during its lifetime. Under Skokov it had many special services staff in it. Under Shaposhnikov the military flooded in. Under Lobov there was a glut of economists. As a result of all the rearranging that went on, the Security Council became rather cumbersome and inefficient and it is not at all fit to tackle its set tasks. The same goes, incidentally, for the apparatus of the president's national security adviser—in both you find people with very poor training, who lack the necessary experience. In the Security Council apparatus, as in all other places, there is a great deal of ballast—particularly in the interdepartmental commissions, some of which do not even meet every six months. If you compare the apparatus of the Security Council and the CPSU Central Committee in terms of the level of experience, initiative, and training you find a stark contrast.

The work of the Security Council apparatus has become increasingly bureaucratic of late, although, paradoxically, documents are often improvised, you might say. There is not a single staffer of the FIS, presidential Security Service, or Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters in the Security Council apparatus at the moment, and there are only two or three representatives of the Foreign Ministry—and they are among those forced to leave it because of poor professional standards. On top of all that, all FCS personnel were removed from its staff in November 1994—evidently Lobov and Stepashin were of the view that counterintelligence should not participate in shaping the country's security policy. The apparatus increasingly resembles a broth of people who have no other place to go. There are many who are simply getting on in years, military and civilian pensioners, as a result of which the staff themselves often call it the "social security council." The backbone of the organizing component consists of a few Defense Ministry and FGCIA personnel and, of course, Colonel General Manilov, Lobov's deputy. At the moment he is the most active and able person in the Security Council apparatus, with many defense and security problems hinging on him.

[Podoprigora] And the financial side?

[Staffer] Pay is low, although higher, perhaps, than in other departments. The Security Council deputy secretary, for example, gets a salary of 450,000 rubles [R]. Counting extras for secret and difficult work, service, and other items, this figure more than doubles. That is, if the deputy is a non-serviceman he gets around R1 million per month.

[Podoprigora] Last question. In your view what is the Security Council's chief problem?

[Staffer] I think it is the total absence of control and monitoring of the decisions that are made. In the nearly three-year history of the Security Council you are unlikely to find one of its decisions fulfilled from beginning to end. The vast majority of them are not fulfilled, and the same goes, incidentally, for many presidential edicts. The curious thing is that no one is punished for this, unless you count verbal reprimands and rebukes. If you were to take all the Security Council's decisions and trace what happened to them, then you would have had to dismiss practically all of the Security Council members long ago—for monumental inefficiency, resulting in considerable damage to the state.

Agency Claims Baturin To Head Foreign Intelligence Service

LD2102163895 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 21 Feb 95

[FBIS Translated Text] Yuriy Baturin, the president's national security adviser, has been appointed head of the Russian foreign intelligence service. This has just been reported by the Postfactum agency, referring to sources within the president's administration.

However, we have been told by Baturin's secretariat that they have no information about any new appointments for the presidential aide.

Baturin's Office Denies Report

MK2202110095 Moscow SEGODNYA in Russian 22 Feb 95 p 1

[SEGODNYA report: "Where Does Baturin Work?"]

[FBIS Translated Text] The POSTFACTUM news agency, citing sources in the presidential staff, reported last night that Yuriy Baturin, national security adviser to the Russian Federation president, has been appointed head of the Russian Federation Foreign Intelligence Service (FIS). According to the same source, Vladimir Klimenko has been appointed new presidential national security aide. Earlier he was the presidential national security aide's acting chief of staff. The POSTFACTUM report was categorically denied in Mr. Baturin's waiting room where a SEGODNYA correspondent sought confirmation.

Poll: Yeltsin Approval Rating Up Slightly

LD2102163695 Moscow INTERFAX in English 1446 GMT 21 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 21 (Interfax)—Only 15% of Russians approve of Boris Yeltsin's performance as head of state, according to the national public opinion center, which conducted a poll in the second half of February. The poll was conducted among 1,594 Russian citizens.

Although Yeltsin's February rating is up 1 percent from the previous month it still remains 7% short of his December popularity rating of 22%.

A total of 83% of those questioned gave a negative response, compared with 75% who did so in December.

As many as 72% of respondents believe current developments will lead Russia into a deadlock, according to the same poll.

Kozyrev's Appointment as UN Envoy Denied

LD1702174295 Moscow INTERFAX in English 1512 GMT 17 Feb 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Feb 17 (Interfax)—Russia's Foreign Ministry describes information of Russian mass media stating that in the near time Russian Foreign Minister Andrey Kozyrev will leave his post and will be sent to New York as a permanent representative of the Russian Federation in the United Nations and that Director of the External Intelligence Service (EIS) Yevgeniy Primakov will occupy Kozyrev's post as "information which has no grounds."

"This is a typical example which is called "press-story' in the West, when news is created on an empty place," a top- ranking official from the Russian Foreign Ministry said in an interview with Interfax Friday.

Another high-ranking diplomat from Kozyrev's circles declared more categorically: "This is nonsense, a far-fetched and awkward one."

Reaction of representatives of Russia's External Intelligence Service appeared to be quite identical. "The information about possible transfer of the EIS Director to Russia's Foreign Ministry is a pure conjecture and the External Intelligence Service does not comment on conjectures," head of the press bureau of the Russian intelligence service Yuriy Kobaladze declared to Interfax Friday.

Meanwhile, several days ago head of the Russian Foreign Ministry Andrey Kozyrev voiced a definite statement regarding his possible resignation. Responding to Interfax on his way from Stockholm to Moscow Kozyrev refuted rumors about his intention to leave his post.

Rumors about Kozyrev's possible resignation appeared after publication of extracts from his book "Transformation" by Russian mass media.

"It contains elements related to concrete historic events but they are not memoirs, I shall write memoirs after my resignation," Kozyrev declared.

Government Says Leaders Ready To Resolve Chechnya

LD2002201395 Moscow INTERFAX in English 1717 GMT 20 Feb 95

[From the "Presidential Bulletin" feature: by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Despite the failure of the talks, the Russian leaders will look for ways to resolve the situation around the Chechen Republic by political means, said a statement made by the Russian Government's press service.

The Russian Government blamed Dzhokhar Dudayev and his entourage for "dashing all the peace initiatives and stomping on the will of the people and the wisdom and resolution of the elders to have the military confrontation ended."

The Chechen military headquarters believes that the Russian command and political leaders needed the talks only as a subterfuge "to save the pseudo-democratic face of the Russian leadership which they needed for their foreign visits."

A source in the Chechen headquarters told Interfax that Moscow had "said that the truce was over once its had regrouped its forces."

Boris Agapov, the Ingush vice-president who had mediated the truce, warned that if political negotiations did not start soon, the lull in the fighting would not last long and the dialog of the two sides come to an end.

It was premature to speak about political talks with Dzhokhar Dudayev's supporters, Sergey Filatov, the Russian president's chief of staff, told Interfax.

He said that people to talk with, those who are trusted in Chechnya, had to be found.

Filatov said that having the hostilities stopped and normal life resumed in the republic were the top priorities.

He explained that the important thing was to have the Chechen population oriented towards restoring the destroyed economy and services. Filatov did not rule out the possibility that the groundwork for election of a legitimate authority could be laid in 1995.

He voiced the opinion that not a single Russia's republic or territory or region could exist outside the Russian Federation.

Filatov said that Deputy Prime Minister Nikolay Yegorov had undergone surgery and was in stable condition. Filatov added that Yegorov had shown he was a strong man and a good organizer when he had worked in the Krasnodar Territory.

Filatov felt that the appointment of First Deputy Prime Minister Oleg Soskovets to act as the president's representative in Chechnya was designed to fill the gap created by Yegorov's infirmity.

Mikhail Krasnov, the Russian president's legal aide, said earlier at a briefing in the Kremlin that if Dzhokhar Dudayev were arrested all the procedures under the criminal procedure code would be applied to him. (The Prosecutor General's Office announced that Dudayev was wanted on several charges. If found guilty, he could face a death sentence).

Sergey Kovalyov, Russia's human rights commissioner, told Interfax last Saturday that the tough line taken by the Russian leaders against the Dudayev administration was "the chief obstacle to starting political talks with the Chechen authorities."

He described is short-sighted and making no sense the statements made by the Russian leaders saying that they would not deal with Dudayev.

Kovalyov argued that there was nobody but Dudayev to talk with because the Dudayev administration had control over the Chechen armed forces.

Kovalyov did not rule out the possibility of negotiating partners other than Dudayev and so believed that the talks could be multilateral but the Dudayev administration had to be involved at the political stage of the dialog.

Kovalyov is to testify in the public parliamentary hearings on the Chechen events that have started in Moscow Monday in the State Duma commission investigating the Chechen crisis.

Other men to testify include former Russian vice-president Alexander Rutskoi, former Russian Supreme Soviet chairman Ruslan Khasbulatov and former KGB chairman Vladimir Kryuchkov.

Military Official: Dudayev Used Truce to Regroup

LD2002182195 Moscow INTERFAX in English 1701 GMT 20 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 20 (Interfax)—The talks last week in Sleptsovskaya (Ingushetia) between Russian and Chechen military representatives were "to the advantage of Dzhokhar Dudayev, who seeks to gain time." This statement was made on Monday at the news conference in Moscow by commander of the airborne troops, Colonel General Yevgeniy Podkolzin.

He believes that the operation to disarm and eliminate the militants in Chechnya must be completed.

"Having disturbed the hive, we should catch the bees," said Podkolzin. The general fears that by the beginning of spring Dudayev supporters will regroup their forces and switch over to active fighting.

Podkolzin said that during the operation the actions of some troops were uncoordinated. Podkolzin backed the proposal of making the General Staff separate from the Defense Ministry, which, he said, would increase coordination of troop maneuvers.

The general denied rumors concerning imminent reduction of airborne troops. He said that on Saturday Defense Minister Pavel Grachev chaired a meeting which had decided to take measures to support airborne troops with military technology.

At present, said Podkolzin, the troops include five divisions and three brigades of paratroopers, one motorized infantry brigade, two specialized regiments, as well as other units.

The general said that the units are manned at 85 percent. As many as 15 percent of the personnel are training division cadets. Most soldiers and sergeants are guarding garrisons and warehouses with ammunition and fuel depots. Podkolzin said that only 30 percent of the personnel could be sent to "trouble spots". And they are fighting in Chechnya, said the general.

Army Issues Appeal to Chechen Population

LD2002184795 Moscow ITAR-TASS World Service in Russian 1800 GMT 20 Feb 95

[FBIS Translated Text] Moscow, 20 Feb (ITAR-TASS)—The command of the joint group of federal forces in Chechnya today issued an appeal to the population of the Chechen Republic. ITAR-TASS has been given the text of the appeal, signed by Lieutenant General Anatoliy Kulikov, commander of the joint group of forces. It says:

We, Russian servicemen, well aware of what war signifies, appeal to the population of the Chechen Republic, to all who watch the development of events in this region with pain, alarm, and hope, we appeal with a sincere hope for the speediest possible restoration of peace and calm.

During the last week, at the initiative of Aslan Maskhadov, the command of the joint group met three times with field commanders in order to immediately stop the bloodshed and create conditions for comprehensively solving the conflict.

The proposals that we have submitted fully take account of the situation that has taken shape, the Chechen people's national traditions and customs as well as the rights and legitimate interests of the entire population of the Chechen Republic.

It was proposed that:

—hostilities be stopped immediately;

—all hostages and prisoners be freed;

—the bodies of the dead be handed to the burial places in accordance with customs;

—heavy crew-served weapons be surrendered;

—people should return to their places of permanent residence;

—the town of Groznyy turned into a demilitarized zone;

—until effective local law enforcement bodies are formed populated areas should have self-defense detachments;

—troops should not be brought to populated areas if the latter renounce armed resistance;

—individuals who do not put up armed resistance should be guaranteed freedom from criminal liability.

Our numerous meetings and conversations have shown that these proposals have found support and understanding among the majority of the population, clergy, and elders. Only a small group, who are unwilling to change their minds, are still prepared to embark on the annihilation of thousands of people and their homes for the sake of their own political ambitions.

Throughout the entire period of the negotiations, the united group of forces fully implemented all of the conditions in the accord. We strictly monitored the implementation of the agreements reached on troops and Interior Ministry forces not using weapons. However, the federal troops were attacked by artillery fire and grenade throwers at 1600 on 18 February on the southern outskirts of Groznyy, in violation of the truce. There are casualties.

We were all on the threshold of peace and sincerely believed it was possible, and did all we could to achieve it. Unfortunately, the adventurism and criminal ambitions of a narrow circle of individuals prevailed over common sense. Once again, leaders—who have in the recent past benefited at the expense of the people—disregarded the interests and the aspirations of hundreds of thousands of people and destroyed hopes for a speedy restoration of a peaceful way of life and pushed people once again into bloodshed.

Residents of the Chechen Republic!

Take advantage of the peaceful respite to establish normal life quickly. Restrain your son or brother, your neighbor and friend from the mindless bloodshed and foolhardiness. Do not allow combat equipment to be left by your houses, schools, and hospitals. Do not let the fighters hide behind your backs and fire upon Russian servicemen.

Drive out of your settlements all those who are shooting at the federal troops and who want to bring misfortune to your home.

Form your own bodies of self-government, enter into talks with the representatives of the federal forces. Be aware that we will never open fire on settlements that are not offering armed resistance. The troops will not enter them.

No one has need of mindless sacrifices. Our long-suffering fatherland needs peace. With pain in our hearts we state that, having exhausted all existing possibilities to stop the armed confrontation by means of talks, we will be forced to apply adequate measures.

Nonetheless, we hope, in the name of saving mothers and sisters, children and old people, in the name of the future of the Chechen Republic, that the reason and wisdom of its people will prevail.

Soskovets Heads Commission on Restoring Chechen Economy

LD2102174495 Moscow ITAR-TASS in English 1733 GMT 21 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 20 (Interfax)—First Deputy Russian Prime Minister Oleg Soskovets was appointed head of the state commission for restoring the economy and the social sphere in Chechnya.

In line with the Russian government resolution, which was signed on Tuesday by Prime Minister Viktor Chernomyrdin, the commission involves leaders of all federal ministries and departments, including the Federal Counterintelligence Service and the Federal Border Service.

Head of the construction and investments department of the Russian government administration, Petr Surov, was appointed deputy chairman.

Soskovets said on Tuesday at the meeting of the headquarters for coordinating the activities of the federal bodies of power that the commission is "to take decisive measures to restore Chechnya's economy." Among the first steps to restore normal life, he said, is to resume paying wages to the republic's inhabitants.

Among priority tasks are to restore housing, primarily in Groznyy, and curb the spread of diseases.

Soskovets said that due to the creation of the state commission, the government headquarters ends its activities.

Khadzhiyev Says Talks with Dudayev an 'Illusion'

LD2002185395 Moscow ITAR-TASS in English 1832 GMT 20 Feb 95

[By ITAR-TASS correspondent Liliya Kuznetsova]

[FBIS Transcribed Text] Moscow February 20 TASS—Salambek Khadzhiyev, head of the Chechen government of national rebirth, called "an illusion" any peace talks with separatist leader Dzhokhar Dudayev.

"No peace talks are possible with Dudayev. They are nothing but an illusion," said the leader of the Russia-backed government which claims it controls seven out of 12 of Chechnya's districts.

Speaking at a news conference on Monday, Khadzhiyev said that instead, it is necessary to hold negotiations "with those who are deceived by Dudayev's propaganda, with those who have not realised yet that Dudayev fights not for his motherland, not for his people, but for power."

According to Khadzhiyev, there is not any legitimate power in Chechnya for the time being. It will appear only as a result of future democratic elections in the republic.

Gaydar Addresses Duma Commission on Chechnya

LD2002213795 Moscow ITAR-TASS in English 2123 GMT 20 Feb 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow February 20 TASS—"The Russian Government has gradually lost control over the economic and financial situation in Chechnya", said Yegor Gaydar, leader of Russia's Choice parliamentary faction and former Russian acting prime minister.

Gaydar addressed on Monday the hearings by a State Duma commission into the causes of the Chechen crisis.

In late 1991 and early 1992, Chechnya still provided the Russian Government with reports on the republic's economic and financial condition. But in mid-1992, in response to Chechnya's violation of Russian laws and non-payments to the federal budget, the government ceased any budget allocations to the breakaway republic. At the same time, oil supplies to the Groznyy oil-refinery considerably decreased. In 1992, oil supplies to Chechnya were cut by 5 million tons.

Russia's Choice leader emphasised that it was impossible to immediately cut off oil supplies to Groznyy in order to undermine the economic and financial basis of the Dudayev regime, since this would have jeopardise the economies of other North Caucasian provinces.

According to Gaydar, the Russian Government was first faced with a hard option to use force in Chechnya when an inter-ethnic conflict broke out in North Ossetia and Ingushetia in November 1993. The reason for using force was the possibility of doing away with the criminal Dudayev regime while imposing a state of emergency rule upon the Ingush-Ossetian conflict zone. However, Gaydar stressed, his trip to the Northern Caucasus and meetings with military officials brought him to the conclusion that this move could cause a large-scale bloodshed and guerrilla war in Chechnya.

After his tour, the former acting prime minister reported his conclusions to the Russian president, who took them into consideration, according to Gaydar.

Russian, Chechen POWs Exchanged

LD1902214395 Moscow Ostankino Television First Channel Network in Russian 1900 GMT 19 Feb 95

[Video report by Grigoriy Brynza]

[FBIS Translated Text] It was in vain that Russian and foreign journalists waited here today in the Sleptsovskaya airport for the beginning of the fourth round of talks between Anatoliy Kulikov and Aslan Maskhadov. The talks failed to take place. However, we managed to learn from military sources that there is hope yet for continuing these talks. Bilateral consultations are being held on additional conditions, the place, and the time for the fourth meeting between the leaders of the military operations in Chechnya. It is quite probable that it will be held tomorrow. The fact that a planned exchange of POWs actually occurred inspires confidence that this will happen. This happened not yesterday, but today, in Shali Rayon. Six Russian soldiers and the same number of Dzhokhar Dudayev's supporters were freed.

The same military sources informed us that the exchange process will continue tomorrow if it is not hindered by military actions between the Dudayev formations and the oppposition, which happens from time to time to the south of the Chechen capital. It is difficult to say if the cease-fire will keep through tonight and tomorrow, but heavy artillery firing could be heard this morning in the Groznyy suburbs.

Kovalev Says Moscow's Tough Position Hinders Chechnya Talks

LD1902164895 Moscow INTERFAX in English 1555 GMT 19 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 18 (Interfax)—The tough position of the Russian leadership towards the Dzhokhar Dudayev administration is the "main obstacle for transforming the military talks in Chechnya into political ones," Russian Commissioner for Human Rights Sergey Kovalev told Interfax in an exclusive interview in the Moscow Sheremetyevo Airport on Saturday [18 February].

He said the statements of the Russian leadership unwilling to deal with Dzhokhar Dudayev were "extremely short- sighted and just absurd."

Kovalev has come back from Geneva where he headed the Russian delegation in the UN Commission for Human Rights.

Kovalev said, "The Russian leadership can now have no other partner for talks but Dudayev as only the Dudayev administration is controlling the Chechen Armed Forces."

At the same time, Kovalev said that Dudayev was "not the only possible partner" for possible political talks. He said it would be reasonable to hold multilateral political talks. However, he stressed that the Dudayev administration should take part in the political part of the talks.

Stepashin Reports on Dudayev, Chechen Situation

LD1802155095 Moscow INTERFAX in English 1403 GMT 18 Feb 95

[FBIS Transcribed Text] NALCHIK, Feb 18 (Interfax)—Russia's Federal Counterintelligence Service (FSK) [FCS] has information about Dzhokhar Dudayev's connections in Moscow and about his secret accounts, declared FSK Director Sergey Stepashin.

"We have all documents of Dudayev, of the Chechen government, we know about Dudayev's connections in Moscow and about his accounts, and we know what he was going to do not only on the territory of the Chechen republic," Stepashin declared in Nalchik Saturday. He spoke at the meeting with the leadership of Kabardino-Balkar, deputies of the republican parliament, and representatives of the republic's public.

In particular, Stepashin said that FSK has documents stating that "Dudayev's regime planned to blow up the situation in the North Caucasus by means of the ideology of the Confederation of the Caucasian Peoples."

Speaking about Dudayev's further fate, Stepashin said that Dudayev is a criminal, Russia's General prosecutor's office has adopted a decision and the federal bodies intend to fulfil this decision. At the same time he underlined that Dudayev has become hostage of his circles, primarily of Vice President Zelimkhan Yandarbiyev and head of the state security department Sultan Geliskhanov.

Mentioning the decision to resolve the Chechen problem by use of force, Stepashin indicated that three years of inactivity of the federal authorities with respect to Chechnya, "three years of political, military, and economic rearing of Dudayev's regime" led to the fact that "there was no other way but to overthrow this regime." Another issue, he underlined, how it was possible to do from the military point of view.

According to Stepashin, about 350,000 people have been expelled from the republic over three years of Dudayev's rule, 45,000 people were killed, almost all specialists who worked in the republic's national economy have left Chechnya.

Speaking about the current situation in Groznyy, Stepashin, who visited the Chechen capital on Friday, reported that the city starts to revive for peace life. As of today, Stepashin said, 70 of the city has been supplied with gas, water supply will be restored in the city in two weeks, the first bakeries will be opened in 10 days and then the power supply will be restored.

Stepashin pointed to a great role of head of the government of Chechnya's national revival Salambek Khadzhiyev in Groznyy's restoration who was able "to save a great part of Groznyy's oil processing enterprises."

At present Groznyy is divided into 28 districts, each of them will be restored by one of the regions of the Russian Federation at the expense of suprabudget assets. "It will be possible to live and to work in Groznyy by this autumn. The city will be completely restored in 2-3 years," Stepashin believes.

At the same time, 500 fighters of the Chechen field commander Shamil Basayev still hold under their control Chernorechye, one of Groznyy's suburbs. They are armed with two Grad rocket launchers and several armored vehicles. Speaking about negotiations between Russian and Chechen military representatives in Sleptsovskaya (Ingushetia), Stepashin said that the military men started these negotiations "in order to stop active cycle of hostilities."

The federal leadership is greatly concerned over the situation in Gudermes and Shali, according to Stepashin. Contrary to the assertions of mass media, there was not a single shot made in Gudermes, Stepashin underlined. The federal authorities are working with Gudermes' and Shali's local authorities so that they themselves would "squeeze" fighters, who came here, from their cities.

Stepashin pointed out that he would not take the risk of speaking about the terms of normalization of the situation in Chechnya. "Let it be a long process, it should go on evolutionarily, tactfully with respect to the majority of the population of the Chechen republic," he believes. Stepashin said that there are practically no home guards in Chechnya now but there are people with arms in their hands who defend their houses from marauders from both sides. "If normal conditions are established they will transfer to a normal life," Stepashin believes.

Speaking about the situation on the Russian territories bordering Chechnya, Stepashin declared that "it is absolutely unclear for him who, why, and what for permanently stirs up the subject on instability in Dagestan." Mentioning Kabardino-Balkar, Stepashin expressed opinion that this republic is one of the most stable regions in the Russian Federation from the political, economic, and inter-ethnic points of view.

Asked about presence of nuclear weapons in Dudayev's formations and about Dudayev's threat to inflict strikes against Russian cities, Stepashin said that Dudayev has no nuclear weapons and "one should listen less to him."

To this effect Stepashin pointed to the efficient work of Dudayev's propaganda. "Doctor Gebbels is not fit to hold a candle to Udugov (Dudayev's Information and Press Minister - Interfax," Stepashin underlined.

Filatov: Premature To Discuss Talks With Dudayev Supporters

LD1802153995 Moscow INTERFAX in English 1403 GMT 18 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 18 (Interfax)-- It is premature to speak about the possibility of talks with the supporters of Dzhokhar Dudayev on political level, the head of the Russian president's administration Sergey Filatov told Interfax on Saturday.

As he said, "the forces with which such talks could be held, the forces the people of Chechnya trust, have to be found yet."

According to Filatov, the main issue on today's agenda is to "cease fire and restore normal life in the republic."

At present there is a need to consolidate the people of Chechnya with a view to rebuilding their shattered economy and social security, Filatov pointed out. The task of electing legitimate authorities in Chechnya may be accomplished this year, he said.

Today no republic, region or territory involved in the Russian Federation can exist independently beyond it, Filatov said.

With reference to the health of the Deputy Premier Nikolay Yegorov, Filatov said: "His condition after the recent surgery is normal." According to Filatov, "Nikolay Yegorov is a vigorous man and a good organizer, as he proved during his work in Krasnodar Territory."

"While he is absent from the region (Interfax's note: from Chechnya) because of his illness, an influential and masterful person must be in charge there," Filatov said. He meant the appointment of First Deputy Premier Oleg Soskovets as the Russian president's acting envoy to Chechnya.

Baturin Blames Army Failures in Chechnya on 'Vague' Tasks

LD1802145695 Moscow ITAR-TASS in English 1434 GMT 18 Feb 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Transcribed Text] Moscow February 18 TASS—The failures of the Russian Army in Chechnya and the ineffectiveness of its military operations there were caused by the extremely unfavourable political conditions in the region, a Russian top official said.

Yuriy Baturin, security adviser to Russian President Boris Yeltsin, said at a news briefing on Saturday that the Chechen crisis had shown that the Russian Army was not prepared to deal with local conflicts.

"Mistakes and lack of coordination of the actions of the political leadership, this is what has led to the present unfavourable consequences," Baturin said.

He pointed out that the "form of presentation of political tasks did not help servicemen understand their aims."

A governmental resolution that followed a presidential decree urged the army to disarm illegal armed groups and, if it was impossible, to destroy them, Baturin recalled.

From the political point of view, the tasks looked very vague and provoked a lot of questions among the military. "The need for the clarification of basic provisions of the Russian military doctrine does not need justification," Baturin said.

He noted that under the constitution, "the president endorses the military doctrine." However, strictly speaking, Russia has no military doctrine as such. What it has are the "basic principles of the military doctrine," which abound in gaps, flaws and mistakes.

Work on a military doctrine should start with developing "a system of presentation of political tasks to the armed forces." The next step would be to determine who are Russia's allies, what threats may come and from where and what weapons will be used in the 21st century.

This will help decide which defence enterprises should be converted to civilian uses and which modernised and supported, he said.

Shakhray Views Prospects for Peace in Chechnya

LD1702210395 Moscow Russian Television Network in Russian 1700 GMT 17 Feb 95

[Studio interview with Russian Deputy Prime Minister Sergey Shakhray by correspondent Tatyana Khudobina; from the "Vesti" newscast—live]

[FBIS Translated Text] [Khudobina] Sergey Mikhaylovich, what are your views on the prospects for resolving the Chechen crisis in the light of the tendency toward negotiation, which seems to have taken shape?

[Shakhray] We must make use of the opportunity arising from the cease-fire reached by the military, in order to create conditions for a political dialogue while it lasts. The problem is that there is no legitimate authority in the Chechen Republic from the point of view of the Russian Constitution. Criminal proceedings have been instituted against Dzhokhar Dudayev. However, there is a way out of this situation. After numerous consultations with the Russian Government, an institution has been defined that could become a party in political dialogue with the federal authorities. This is the Committee of National Accord—a body that will be set up by the Chechen leaders themselves, as well as by the Chechen population. It is most likely to be formed on the territorial principle, delegating its members from various populated points in the Chechen Republic. Such things cannot be decided from Moscow. This Committee of National Accord will have three tasks: The process of reconciliation and of stopping the blood feuds—this is a very complicated and a very important task; drawing up the documents for the election to the local bodies of self-government and to the Chechen Parliament, as well as carrying out these elections and ensuring their validity, their free and democratic character. Also, the Committee of National Accord is a partner of the territorial administration in the Chechen Republic until the situation there returns to normal. This involves restarting life in Groznyy, resuming railway communications, and resolving the most urgent issues.

[Khudobina] Could you please tell me this: Does the government, as it develops its concept of how to settle this complex crisis, take into account factors like guerrilla war, which is being discussed so much at the moment?

[Shakhray] This factor is being taken into account, though its importance should not be overestimated. This will be the task of those forces that will stay in the Chechen Republic, the task of the Chechen government of the interim period. Also, I hope that economic factors, commonsense, and the efforts of politicians will help to prevent sporadic episodes of guerrilla war from becoming a widespread phenomenon.

[Khudobina] Another question. Sergey Mikhaylovich, you may remember that during a recent meeting with Viktor Stepanovich Chernomyrdin I ventured a guess that the Chechen crisis could have been caused by the fact that for a certain period the government had no concept of coexistence between Chechnya and Russia. You disagreed with this but said nevertheless that Chechnya had become a test range for officials. Is not the same thing happening now? There is Nikolay Semenov, and before him there was Nikolay Yegorov, and finally we got Oleg Soskovets....

[Shakhray] You know, all sorts of things have happened and different parallels can be drawn. I think the most important parallel is that at the moment an anniversary is being marked of the treaty between the federal authorities and the state bodies of the Republic of Tatarstan. An understanding was reached then, since a treaty is a product of understanding between two parties. It turned out that the Chechen leaders did not want such a solution. As for Moscow, it seems to me that now this—often unreasonable—shying away has stopped, a certain consolidation of the state power is evident, as well as good cooperation between the president, both the parliamentary chambers, and the government. As regards Soskovets, he will chair the state commission in Moscow that will include Nikolay Ivanovich Semenov in his capacity as the head of the territorial administration in the Chechen Republic itself. So, there will be no overlapping and no competition—which is very important—whereas an interaction should be established between them.

[Khudobina] Regrettably, the cease-fire, which has been awaited so long by all of us and by the general public, is not being seen by everybody in the same light. Let me quote a statement made today by Colonel General Yevgeniy Podkolzin, the commander of Russia's airborne assault troops, who, having voiced his general approval of the dialogue with the Chechen military, said however that talks on a cease-fire in Chechnya will have no results apart from protracting the conflict.

[Shakhray] You know, his apprehensions are justified in more than one sense. But even if this cease-fire and these talks give us one chance out of a thousand to make the military stage of the crisis a thing of the past, we must use this chance.

[Khudobina] Thank you. Our guest in the studio was Russian Deputy Prime Minister Sergey Shakhray.

Senior Army Official Admits to 'Mistakes' in Chechnya

LD1702190395 Moscow INTERFAX in English 1604 GMT 17 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 17 (Interfax)—A senior army official in Moscow has called for continuing the military campaign against members of the illegal armed formations in Chechnya.

Commander of Russian Airborne Troops General-Lieutenant Yevgeniy Podkolzin in an interview with Interfax on Friday said "we have just stirred up a hornets' nest by capturing Groznyy, but constitutional order must be reinstated throughout Chechnya".

Podkolzin is supportive of current talks in Ingushetia between Russian and Chechen military commanders. But he insists that negotiation must be only on the question of an exchange of prisoners of war and the dead because other issues could only prolong the conflict.

The general admitted to mistakes being made in preparations and planning of the campaign including the bad timing given that weather conditions in the region are not good in November and December. "This created certain difficulties not only for heavy weapons but also for aerial strikes", Podkolzin said.

He also believes that assault troops should have been allowed time to train in street fighting before the operation was launched. Nor was there any propaganda campaign to prepare public opinion before the movement of federal troops into Chechnya, said the general.

He has denied allegations of joining opposition to Defence Minister Pavel Grachev following the operation. He described such rumors as groundless.

The general also denied reports saying Grachev was planning to abolish the airborne troops. "On the contrary, the minister pays much attention to the enhancement of combat capability by the airborne troops which will soon form the backbone of the country's mobile force", he said.

Military & Nuclear Issues

Ilyukhin: START-II Would Imperil Russia's Security

LD1802154095 Moscow ITAR-TASS in English 1514 GMT 18 Feb 95

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Transcribed Text] Moscow February 18 TASS—"On the whole, the state of Russia's national security is critical, while the Russian state is on the verge of losing its independence and sovereignty," Viktor Ilyukhin, chairman of the State Duma security committee, said.

Addressing a meeting of Russian Army officers in Moscow on Saturday, Ilyukhin said that "in world politics Russia is considered as an unreliable partner, and as a state without borders, with a weakened military, political and economic potential."

The weakening of Russia is occurring at a time when the zones of armed confrontation and military conflicts have expanded considerably in the world.

Speaking about the state of the Russian Armed Forces, Ilyukhin said that the programme of modernisation of the strategic rocket forces and submarines is endangered, while the capabilities of strategic nuclear forces are seriously limited by the START-2 Strategic Arms Reduction Treaty.

"If this treaty is fully implemented, the United States will almost double its superiority, while the damage to Russia's national security will be unrecoverable," he said.

He believes that one of the major reasons for the present state of affairs is the disintegration of the Soviet Union. The speedy withdrawal of troops from the near abroad and foreign countries marked the beginning of the destruction of Russia's military potential. Out of 16 military districts in the former Soviet Union Russia has only eight. A total of 13 armies and corps, four tank and two strategic rocket armies, three air defence and five air force armies have been left in other ex-Soviet republics.

The Defence Ministry and the General Staff are now considering the possibility of disbanding airborne troops to preserve only two airborne divisions.

New rockets and artillery pieces make up to 30 per cent of the arsenals of the country's land forces which are 50 per cent understaffed. Junior officers continue to flee the army because of the lack of material incentives and declining prestige, Ilyukhin said.

Russia's strategic air force has only 67 bombers and will be unable within the next 10-15 years to bring their potential even to the level envisaged by the START-2 Treaty, he said.

But the most critical situation is in the navy whose "losses can be compared only to those during the Great Patriotic War," Ilyukhin added. He stressed that over two thirds of submarines lack the necessary combat efficiency which has decreased by 5-6 times since 1991, while the combat efficiency of the navy in general has dropped by 10-12 times.

Warns of Buildup of Internal Forces

LD1802155295 Moscow INTERFAX in English 1403 GMT 18 Feb 95

[FBIS Transcribed Text] MOSCOW, February 18 (Interfax)—The chairman of the State Duma's Security Committee Viktor Ilyukhin suggests that "moves by those who have brought to ruin the national armed forces" be regarded as "a clear-cut case of high treason." Speaking Saturday at a national army officers' conference in Moscow, Ilyukhin said that Russia "hovered on the verge of losing independence."

Ilyukhin cited numerous facts to give weight to his words. He reminded the conference of the "loss of the Black Sea Fleet and Crimea" and said that "according to some sources, the national armed forces would have to do with only two airborne divisions."

The authorities, however, are doing much to build up the interior troops whose strength has already come to "top that of the interior troops of the Soviet Union and is about to equal that of the Russian Army taken as a whole."

According to Ilyukhin, army officers bear part of the blame. They did nothing to impede the criminal efforts to "destroy first the Soviet Union and then Russia" and "fail to see the attempts to turn the armed forces into "a cop of Russia."

The country faces a big threat, Ilyukhin said, "maybe bigger than any other in its history." The problem of power ought to be settled for the sake of national salvation, Ilyukhin told the national army officers' conference.

Officials: No Danger of Terrorism at Nuclear Facilities

LD2002131495 Moscow INTERFAX in English 1100 GMT 20 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 20 (Interfax)—Threats by Dzhokhar Dudayev to organize terrorist acts at Russian nuclear facilities cannot be carried out, Interfax was told Monday at the Ministry for Nuclear Energy.

According to the ministry, there are no nuclear facilities that could be attacked in areas neighboring on Chechnya. The only one comparatively close is the Rostov nuclear power station.

Officials say the station has not been commissioned and reactors are not filled with nuclear fuel. Thus, nuclear physicists assure Interfax, acts of terrorism in Rostov would be senseless.

At the beginning of 1995 Russia had 29 power units at its nine nuclear power stations. Thirteen of these power units have light- water reactors with a higher degree of safety against outside interference.

The ministry claims such reactors would not be damaged even by a plane colliding directly with a power unit. They are designed to withstand falling objects weighing up to seven tonnes.

Experts are more concerned about power units with graphite- moderated reactors similar to the infamous Chernobyl one.

According to well-informed sources, the security at nuclear facilities was beefed up by police last December to prevent possible terrorist attacks.

In addition, the police and Counterintelligence Service in communities near nuclear facilities keep an especially close eye on all visiting or local natives of the North Caucasus staying there.

Grachev Criticizes Proposed Army Budget

LD2102193895 Moscow ITAR-TASS in English 1914 GMT 21 Feb 95

[By ITAR-TASS special correspondent Andrey Shtorkh]

[FBIS Transcribed Text] Minsk February 21 TASS—"We are not satisfied with the budget submitted to the State Duma for consideration. This is one third of the money necessary to reform the Armed Forces," Russian Defence Minister Pavel Grachev told correspondents here today. The minister is currently in Minsk to attend the Russian-Belarusian summit meeting.

"All power branches must be aware of the fact that the Armed Forces are not the creation of Grachev, Ivanov or Petrov. It is a powerful state institute meant for provision of Russian security. The country will have order only when everyone starts working for this institute and quit saying that it consumes the whole budget and Russia is weak. This must be understood by heads of parliament factions and mass media bodies which should work for Army needs," said Grachev.

Commentary on U.S. 'Double Standard' in Arms Sales

LD2202093095 Moscow Voice of Russia World Service in English 2010 GMT 21 Feb 95

[Commentary by news analyst Vladislav Kozyakov; read by announcer]

[FBIS Transcribed Text] The U.S. arms export has been lately a major topic in America. Debates have been running for as long as a year-and-a-half. Many Democrats in Congress and the government Arms Control and Disarmament Agency have called for tougher restraints in the area. But U.S. policy-makers have ignored the call. A line has been reiterated for all-round backing for U.S. arms supplies to other countries.

In keeping with the president's policy guidelines, the existing rule is maintained not to sell arms to regions where arms sales can be destabilizing or menace world peace. And yet Washington's strategy is based on support for American arms manufacturers and merchants in their exports. It has been declared by White House officials that the United States still views the export of conventional arms as a legitimate instrument of its foreign policy.

But as a matter of fact at the moment the United States is the world's biggest arms exporter. It's share of the conventional arms market is over 50 percent. In the past few years, U.S. arms sales amounted to an annual total of between $10-12 billion. This can be compared with Russia's total of only $1.7 billion last year.

The United States has become the world's biggest arms supplier, largely thanks to taking over from Russia its markets of armaments. The reason for this is not just the collapse of the Soviet Union that has harmed the nation's military-industrial complex. In many cases the United States use methods of cut-throat competition. In some cases U.S. diplomats have tried to put pressure on the governments of other countries so as to make these refuse to sign contracts in the offing with Russian companies.

In one Latin American country, the following case was registered. When Washington discovered that the country was going to buy air force planes in Russia, the United States made a gift of a batch of American planes, just to kill the coming deal with Moscow.

American policy-makers often follow a double standard on issues of maintaining a balance of forces in some particular region. They've been expanding supplies of military hardware to Taiwan but object to sales of Russian fighter planes to China. America is selling large amounts of arms to Persian Gulf countries, yet it protests even against action on the previously concluded agreement on export of Russian arms to Iran.

It is common knowledge that during the drawing-up of a contract for delivery of MiG-29 fighters to Malaysia, all sorts of unpredictable complications arose.

The U.S. Administration's set of policy guidelines on arms export, made public in Washington, is evidently targeted at expanding the American activity in this field, but the interests of other countries cannot be ignored. In any case, Moscow has long been offering multilateral talks on adjusting issues on the international market of arms.

Grachev Confirms Allegiance to Yeltsin

OW2102062595 Moscow Russian Television and Dubl Networks in Russian 2345 GMT 18 Feb 95

[Unidentified reporter video interview with Defense Minister Pavel Grachev; place and date not given; from the "Aty-Baty" program]

[FBIS Translated Text] The Army under my leadership follows strictly all laws and the Constitution, and it will not allow itself to be drawn into political games.

Moreover, there is the principle of a single command in the Army, and there is the principle of strict subordination, and as the minister of defense I will serve the state honestly and conscientiously, and unquestioningly carry out all orders of my chief, Boris Nikolayevich Yeltsin, who is the commander in chief and the president of Russia.

Text of Yeltsin Veterans Day Message

LD2202102395 Moscow ITAR-TASS World Service in Russian 0932 GMT 22 Feb 95

[Message from Russian President Boris Yeltsin released by his press service on Defenders of the Fatherland Day]

[FBIS Translated Text] Moscow, 22 Feb, TASS—I warmly congratulate servicemen and their families, war veterans, and veterans of the Armed Forces and the civilian personnel of the Army and Navy on defenders of the Fatherland Day.

Defenders of the Fatherland Day is quite rightly a holiday of the whole people. This is in recognition of the outstanding contributions of every generation of Russian servicemen to the destiny of the state and a tribute of boundless respect for their selfless military labor.

From ancient times the sacred words—duty, honor, and Fatherland—were the guiding star and gave strength and courage to the defenders of the homeland. The present generation of Russian soldiers remains true to this creed. In everyday life and in combat conditions you, dear soldiers, carry out your patriotic duty with dignity.

However difficult things might be for the country, however complicated the international situation, our people know that the army is always protecting our homeland, it is a guarantor of peace and stability, of the sovereignty, independence, and territorial integrity of Russia. This is why strengthening the army, equipping it with modern weapons and improving the service and living conditions of servicemen and their families will continue to be a matter of paramount importance for the state.

With all my heart I wish you, dear servicemen, your near and dear, war veterans and the civilian personnel of the Army and Navy good health and happiness. Success to you in serving the Fatherland!

Naval Sea Exercises Allegedly Ended Due to Budget

LD1702190295 Moscow INTERFAX in English 1604 GMT 17 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 17 (Interfax)—"None of the Russian naval vessels went to the sea" since the beginning of 1995, a deputy chairman of the

State Committee for Defense Industry, Gennadiy Voronin, said in an exclusive interview with Interfax Friday.

According to Voronin, the main reason for this was "the shortage of funds to maintain the vessels and their crews' combat readiness."

Voronin emphasized that "due to the extremely ungenerous military budget many naval vessels chronically lack fuel and ammunitions, cannot conduct repairs, there are serious problems with manning the crews, mainly with officers."

Meanwhile, about 70 90-95% ready naval vessels, including the world's most powerful missile cruiser Petr Velikiy, still remain in the docks.

According to Voronin, Russia is "gradually losing its status of a marine superpower." In particular, Turkey's fleet in the Black Sea was already larger than that of Russia.

Defense Sources Deny Report

LD1802204995 Moscow ITAR-TASS World Service in Russian 1542 GMT 18 Feb 95

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 18 Feb—Russia's war department intends to take stock of the lessons of the Chechen conflict with regard to the raising of combat capacities and the durability of equipment and weapons. ITAR-TASS has learned from the Information and Press Directorate of the Defense Ministry of the Russian Federation that a conference on military and technical practicalities will be held on the Kubinka test range under the chairmanship of Pavel Grachev on 20 February. Military experts and representatives of the defense industry will discuss ways of perfecting armored vehicle, tank, and other technology with reference to the experience of its use in the area of the Chechen conflict.

The Defense Ministry said that claims disseminated in the media by Gennadiy Voronin, deputy chairman of the State Committee on the Defense Industry, to the effect that "no navy ships put to sea since the beginning of 1995" did not correspond to reality. ITAR-TASS was informed by the Information and Press Directorate that submarines and surface vessels of the Russian Navy are putting to sea, undergoing combat training, protecting maritime borders, and maintaining the strategic nuclear containment forces' proper vigilance in spite of the Armed Forces' severe funding situation.

Federal Assembly

Yushenkov on Yeltsin Message, Resignation

MK2202122095 Moscow SEGODNYA in Russian 22 Feb 95 p 2

[Report by Irina Khristolyubova under the "Critic" rubric: "Sergey Yushenkov Satisfied With President, but Dissatisfied With His Personnel Policy. He Is Not Going To Quit as Duma Defense Committee Chairman"]

[FBIS Translated Text] Sergey Yushenkov, chairman of the State Duma Defense Committee, said at yesterday's news conference that the Russian president "outlined sufficiently clearly the problems" facing the Russian Armed Forces and "made a correct assessment of their current status" in his message to the Federal Assembly. The Duma Defense Committee chairman was pleased to learn to his surprise that his view on the state of the Russian Army coincided with that expressed in the presidential speech. Mr. Yushenkov said he shared the president's judgment to the effect that what is going on in reality is not a reform of the Armed Forces, but rather the transfer of the former USSR Army into the Russian Armed Forces. According to Sergey Yushenkov, the army was prepared and is presently making preparations for large-scale wars and, unfortunately, is unfit for local wars.

At the same time, Mr. Yushenkov emphasized that "when you start analyzing their practice, you see that the logic of words differs considerably from the logic of actions." In support of that statement he pointed to the fact that although Boris Yeltsin's message singled out the FRG as a country with which we should foster friendly ties and relations of partnership, the Russian Federation Defense Ministry "has opted against carrying out joint military exercises with the FRG." In Mr. Yushenkov's opinion, such facts conjure up the threat of sliding back to a USSR-style foreign policy, which, in turn, "jeopardizes the carrying out of all reforms in Russia."

Assessing the situation in Chechnya, Mr. Yushenkov described operations by the federal troops as "a complete failure" and expressed his utmost surprise at the fact that President Yeltsin "has not yet fired Pavel Grachev." Sergey Yushenkov thinks that talks on stabilizing the situation in Chechnya can be held only with Dzhokhar Dudayev, who "wields real authority on the territory under his control."

Mr. Yushenkov said also that he is not going to resign his post of Duma Defense Committee of his own accord, because it will be easier for him "to fight for democratic values" while keeping it.

Federal Assembly Deputies' Reactions to Yeltsin Speech

MM2002160095 Moscow PRAVDA in Russian 18 Feb 95 pp 1, 2

[Roundup by Viktor Trushkov of Federation Assembly members' responses to President Yeltsin's message, carried under the general heading "Incantations on a Set Theme"]

[FBIS Translated Text] Here are impressions of the president's speech which representatives of the federation components and a number of factions of the Russian Federation Federal Assembly shared with PRAVDA's correspondent immediately on leaving the Marble Hall.

Aleksey Ponomarev, Federation Council deputy (Belgorod Oblast):

"What did I hear? General slogans, and nothing else. I expected more: After all, the people's patience is wearing thin. But what was said in the president's speech? Power must be consolidated, consolidated, consolidated. 'Who has too little power?' I ask. 'Who does not have enough?' I would very much like to have heard rational, businesslike proposals from the authorities. But once again, most unfortunately, my hopes were disappointed. The authorities are incapable."

Georgiy Lukava, State Duma deputy (Liberal Democratic Party faction):

"On the whole, it would on the face of it be possible to accept the program set out by the president. But the mechanism for implementing the proposals voiced in the speech was not revealed. The minimal level of correctives proposed in the sphere of economic policy and social relations is still worrying. Correctives proposed by the opposition, whose need is recognized by the public consciousness, were not covered in the speech, and have not been taken into account in the action program. For this reason, I expected more. I hoped that state policy would be amended—both in the sphere of implementing economic reforms, and as regards changing the spiritual background of our life—taking account of the Liberal Democratic Party's manifesto, the stabilization program of the Communist Party of the Russian Federation, and the programs of the Agrarian Party, the Democratic Party, and various roundtables. Is it possible to get the current executive power to modify its policy? I think it is, if the opposition starts to express its point of view more forcefully and insist on its proposals both in the Duma and outside parliament. As a result of such pressure certain changes—true, only certain changes—for the better could be brought about."

Sergey Glazyev, State Duma deputy, leader of the Democratic Party of Russia:

"Having heard the president's speech, I recall the situation at the beginning of 1994, when justified words were pronounced about the situation, the problems were accurately set out, and the goals were correctly indicated. But not one aspect of last year's presidential message was fulfilled in the course of the year. After all, the beginning of the speech was essentially an observation of the weakening of power by comparison with a year ago. Both the executive and the judicial power are infinitely weak, incapable of achieving a single one of the tasks facing them. Corruption, arbitrary rule, and irresponsibility in the executive structures have acquired still greater proportions. Therefore, my forecast for 1995 is just as depressing. The government in its present form is not capable of resolving a single one of the problems set out in the president's message.

"For instance, the speech sets the task of effecting a profound structural maneuver on the basis of developing the processing and science-intensive industries and supporting industrial exports.. But now take a look at the budget presented by the government. It establishes support for the raw material sectors, but is virtually devoid of support for structural overhaul; funding for science is highly unsatisfactory. Hence the essential condition for implementing the president's message is a change of cabinet, at the very least a change of the entire government leadership."

Duma Sending Delegation to The Hague for Talks

LD2102194695 Moscow INTERFAX in English 1519 GMT 21 Feb 95

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Moscow, Feb 21 (Interfax)—The Council of Russia's State Duma has decided to send a group of deputies to The Hague (the Netherlands), where talks will be held in the framework of the preparatory commission of the Organization for Banning Chemical Arms in late February.

As Interfax learned from sources in the State Duma, the delegation will include the deputy chairman of the Duma's committee for defence Aleksandr Piskunov (of the New Regional Policy faction) and the deputy chairperson of the committee for ecology Tamara Zlotnikova (of the Yavlinskiy faction).

The State Duma's Council took this decision in answer to the Foreign Ministry's request to send deputies "who displayed professional interest in the problem of banning chemical weapons" to the Hague.

As the Foreign Ministry said in its letter, this would make it possible for parliamentarians to obtain "first-hand information" about the foreign-policy aspects of honoring Russia's future commitments under the convention on banning chemical arms signed by Russia in February of 1993.

Duma's Defense Chairman Will Sue Grachev

LD2102161895 Moscow INTERFAX in English 1446 GMT 21 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 21 (Interfax)—Chairman of the Duma Defense Committee Sergey Yushenkov does not want to leave his post voluntarily, though he had intended to do so earlier. He made this statement on Tuesday [21 February] at a news conference in Moscow, explaining his view that "in his present capacity it is possible to struggle more effectively for democratic values."

Yushenkov also informed of his decision to bring a suit against Russian Defense Minister Pavel Grachev "for insulting honor and dignity" (at a recent news conferences Grachev called Yushenkov "a repulsive man"—IF).

Describing the actions of federal troops in Chechnya as "a flop", Yushenkov voiced surprise that Russian President Boris Yeltsin "had so far not sacked Grachev."

Yushenkov believes that "the talks aimed at stabilizing the situation in Chechnya should be conducted only with Dzhokhar Dudayev", who, he believes, "has real power on the territory under his control." As to Salambek Khadzhiyev, who heads the government of national renewal, in opposition to the Dudayev regime, "it can also be invited to take part in the process," believes Yushenkov.

Duma Scored for Rejecting Yabloko Chechnya Draft

MK1702124095 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 17 Feb 95 p 2

[Statement by Grigoriy Yavlinskiy under the "Word for Word" rubric: "The Army and the Country's Integrity Are Being Sacrificed to Faint-Heartedness and Intrigues"]

[FBIS Translated Text] "Regarding the State Duma's decision on the plan for a settlement of the armed conflict in the Chechen Republic:

"Today the State Duma refused to consider the draft law "On Delegations To Settle the Armed Conflict in the Chechen Republic," sponsored by "Yabloko" faction deputies. We do not want to discuss the motives that prompted various factions to make such a decision. Motives may be different, but the result is the same—the Russian parliament has opted to keep itself aloof from attempts to find a way out of the bloody impasse.

"Statements by representatives of the majority that has thwarted even the attempt to put the matter to a Duma vote, to the effect that they oppose the war and stand for talks, proved to be a political trick. When it came down to specific steps that could have set a real negotiating process in motion, all this demagoguery burst.

"We consider it our duty to state that after such a decision the State Duma will no longer be able to shift the blame, as usual, onto the executive authority. By its hypocritical and deliberate inaction, the Russian parliament came to share with President B. Yeltsin and the Dudayev regime the entire responsibility for consequences of the North Caucasus tragedy, for the deaths of Russian soldiers and civilians. The army and the country's integrity are being sacrificed to faint-heartedness and intrigues.

"We will not give up all the same, and we will do our utmost to stop the bloodshed and to avert a ruinous Caucasus war."

[Signed] G. Yavlinskiy

General Briefs Duma Committee on Armed Forces Situation

LD2002222895 Moscow ITAR-TASS World Service in Russian 1532 GMT 20 Feb 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Translated Excerpt] Moscow, 20 Feb—The populist laws adopted by the former Supreme Soviet have had an adverse effect on the manpower acquisition of the Russian Armed Forces, according to Sergey Yushenkov, chairman of the State Duma committee for defense.

He told an ITAR-TASS correspondent that the Duma council today heard a report of Colonel General Vyacheslav Zherebtsov, deputy chief of the general staff, on the situation regarding the call-up. The general said the situation was disastrous. The call-up provides only 72 percent of the required manpower of the Russian Armed Forces as a whole and a mere 40-50 percent of the ground forces. [passage omitted]

According to representatives of the Army, only 1 percent of people with higher education are currently serving in the Army. Out of every 100 persons subject to the military service obligation, only 25 actually join the forces. Only a quarter of the adult male population fulfill their constitutional duty of defending their motherland, Yushenkov said. [passage omitted]

Duma Commission Chairmen View Chechnya Hearings

LD2002221995

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1725 GMT on 20 February carries an 8-minute "Details" program conducted by Nikolay Svanidze on the parliamentary hearings on Chechnya. In the lobby of the State Duma hearings hall, Stanislav Govorukhin, chairman of the parliamentary commission on Chechnya, is interviewed on the possibility of the commission achieving its aims. He says it depends on the people themselves. Dudayev has accumulated huge power, he says. Much depends on us, too, he adds, although things have been difficult, with the president saying we are not constitutional.

In the studio Nikolay Svanidze then interviews Vyacheslav Nikonov, deputy chairman of the parliamentary commission on Chechnya. He says they are trying to gather information on the Chechen crisis to establish what happened. Asked if the commission is subject to pressures, he says it is not, but it suffers from a lack of information. Information has been received from various witnesses, but many ministries and departments have not replied when asked for information. He notes, however, that parliament has an important right—the right of the paymaster—and if the situation continues like that, the commission will raise the question of cutting budgetary allocations to maintenance of the relevant ministries and departments.

In the United States, not to appear at a session of a Senate commission is a sure way to jail, but Russian legislation has no such provision, Nikonov says, adding that in the Duma an amendment to the constitution will be proposed making it compulsory for state officials to appear at sessions of parliamentary commissions.

Nikonov says the sessions of the present commission will be closed. This is more effective and provides more time. In addition people are more frank than at an open session.

Asked what would come after the hearings, Nikonov says there will be a report by the commission providing the conclusions of the commission on the causes of the Chechnya crisis and recommendations to parliament and state bodies on how to prevent the development of such situations in future. Such preliminary results of the commission's work can be expected in April, he concludes.

Kovalev: Humanitarian Principles Ignored in Chechnya

LD2002224195 Moscow ITAR-TASS in English 2151 GMT 20 Feb 95

[FBIS Transcribed Text] Moscow February 21 TASS—The most important point now is about the price we have paid and are going to pay for the restoration of constitutional order in Chechnya, Sergey Kovalev, Russian human rights commissioner told on Monday [20 February] parliamentary hearings on causes and circumstances of the crisis in the Chechen Republic.

It is possible to report facts of mass killings of civil population which resulted from federal troops' using weapons of mass destruction. Losses among civil population in Chechnya amount to a five-digit number, a preliminary estimate based on a poll conducted among large groups of refugees from Groznyy and comprising only two-month history of hostilities in the North-Caucasian republic, Kovalev said.

These and other facts indicate that the federal authorities have ignored completely humanitarian principles of conducting war operations, as provided by various international agreements, he emphasized.

Regional Affairs

Reportage, Commentary on Conflict in Chechnya

Failure To Capture Dudayev Viewed

MM2102094395 Moscow IZVESTIYA in Russian 21 Feb 95 p 4

[Report by Sergey Mostovshchikov: "The Troubleshooters Seek Him, the Militia Seeks Him. They Have Been After Him for A Long Time, But Cannot Find Him..."]

[FBIS Translated Text] In approximately the middle of January 1995 an all-Russia manhunt was declared for Chechen leader Dzhokhar Dudayev. In the month that has passed since then the sides party to this measure have achieved the following successes: Dzhokhar Dudayev has managed several times to give interviews to the world mass media and to meet personally with Russian politicians wishing to see him. And the law-enforcement organs have managed to arrest Dudayev's 70-year-old brother Bekmurzu.

The all-Russia manhunt, as the successor to the former all-Union manhunt, is essentially a whole range of measures, the thrust of which boils down to the poetic formula: "Run rabbit, run rabbit, run, run, run. Bang, bang, bang, goes the farmer's gun." In accordance with the traditional technique such a manhunt is declared for any serious criminal on the run. His photograph and special identifying features are, if necessary, placed in flaking "Wanted by the Militia" display cases, and the organs are issued with the relevant guidelines. As soon as the wanted person appears within the field of vision of vigilant citizens or the law-enforcement system, all the measures necessary for his capture must be taken, including sending signals by means of a whistle (two short blasts mean "Help!", or "Come here!", one long one means "Stop this man").

In the case of Dzhokhar Dudayev, the system, one would think, should work especially effectively. Because of the Chechen No. 1's great notoriety, his photo, full face and profile, is naturally not being stuck on every pillar. But all the federal forces brought into the republic are highly highly involved in the capture of Dudayev. The Army and the internal troops stationed in Groznyy immediately charge into battle at the slightest rumor of Dudayev's whereabouts. Counterintelligence officers begin to wink and click their tongues enigmatically, hinting that the Chechen leader's days are numbered, that he is surrounded, that his movements are being monitored, and that practically just a few hours remain until his capture.

Representatives of the special services especially, showing off their superior knowledge, inform the press that Dudayev is somewhere in the suburbs of Groznyy, that he does not stay two nights running in the same place, that he uses certain underground technological means of communication designed for cable systems, central heating plants, and other luxuries of civilization. A spokesman for the Federal Counterintelligence Service [FCS] even hinted to IZVESTIYA that, through the combined efforts of the Army, the militia, and the FCS, the Chechen leader was at that very moment being drawn to a place where he could be quickly and efficiently captured.

However, one month after the beginning of energetic all-Russia measures the authorities have managed to capture only Dzhokar Dudayev's older brother, 70-year old Bekmurzu. He was arrested either in Groznyy itself, or in the suburbs, and is currently, according to some reports, being held in Moscow for cross-questioning or more likely in the hope of a reaction from Dudayev himself, which might help determine the latter's precise whereabouts.

The most curious aspect of this saga is that these whereabouts are for some reason a problem only for the federal authorities. On 2 February, for example, Konstantin Borovoy, a former trader in stocks, met Dudayev in person in Chechnya itself, having arranged this interview without especial trouble, he said, actually in Moscow with representatives of the Chechen leader. Thus Dudayev has good communications not only with his formations in the republic, but also with the very capital, which even the Army and the special services can reach from Groznyy only with the aid of their special communications.

And that is not all. The Chechen leader periodically gives interviews to journalists of various publications. The other day the man being sought all over Russia was filmed on TV journalist Lyubimov's program, and replied live on radio, for almost an entire hour (!), to questions from interested students and lecturers of Harvard University, who received the opportunity, without getting up from their armchairs, so to speak, to listen to a man who has been declared by the Russian Federation to be the number one criminal at the current moment of the establishement of democracy.

What, in point of fact, is going on here? How should we rate the efficiency and professionalism of our native power structures? There are two options: Either, despite official statements, the federal authorities do not want to find Dudayev, or they are simply unable to do so. Even if it is assumed that the FCS, the MVD [Ministry of Internal Affairs], and the Ministry of Defense put together do not have sufficient men and agents physically in order to place them in ambush on the outskirts of Groznyy, then they must have some kind of technical equipment. After all, Dzhokhar Musayevich is not using a Chechen Republic satellite for his telephone conversations, he is not sending out carrier pigeons to guide his armed formations.

"Couldn't you try to find the Chechen president with the aid of tracking devices or determine precisely what satellite channels he uses?", I asked Aleksandr Mikhaylov, leader of the FCS Public Relations Center.

"You see...," Aleksandr Georgiyevich begin to answer me, but at that moment a terrible crackling was heard on the line. "Hello? Hello?: Aleksandr Georgiyevich tried to block the fault on the line. "Please phone again, I cannot hear anything."

I phoned back. The connection had improved.

"Yes. What I wanted to say was that, from the purely technical point of view, this a far from straightforward question."

After this the line began to crackle again, and what the technical difficulties were exactly, I simply could not make out.

Defense Forces Withdrawn From Groznyy

LD2102144495 Moscow ITAR-TASS World Service in Russian 1342 GMT 21 Feb 95

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Translated Text] Moscow, 21 Feb (ITAR-TASS)—Russian Defense Ministry forces have been withdrawn to outside Groznyy. In seven of the city's districts a new administration has started working, and talks are under way in five districts. Salambek Khadzhiyev, head of the Government of National Rebirth of the Chechen Republic, cited these facts at a meeting of the Russian Government operational headquarters today.

The Chechen prime minister said that "an extremely difficult economic situation" exists in the Chechen capital and throughout the republic as a whole. Most of the homes in Groznyy have been destroyed. According to updated figures, there are 100-140,000 people in the city (before the fighting started there were 450,000). There is no water or electricity, and only a small amount of food remains.

Salambek Khadzhiyev announced that a headquarters has been set up in Groznyy to restore the city. About 3,000 [metric] tonnes of food has already arrived in Groznyy through the Russian Ministry for Civil Defense, Emergencies and Natural Disasters. The Ministry of Health and the Medical Industry delivered a consignment of medicines. Cooperation with the Pension Fund, the Federal Migration Service and a number of other Russian ministries and government departments has been organized.

The Chechen prime minister estimated that it had been possible to preserve about 75 percent of the petroleum complex. However, there is a danger that since it covers a large area, it is subject to shelling from Dudayev's fighters.

Chechens Urged to Report Dudayev Location

LD2102145995 Moscow ITAR-TASS in English 1443 GMT 21 Feb 95

[FBIS Transcribed Text] Moscow February 21 TASS—Russia has urged Chechens aware of Dudayev whereabouts to report on his location and guaranteed them anonymity, security and protection by law.

The Russian Government press center has circulated the following report here today:

"According to the mobile information center, the Chechen Interior Ministry circulated a 'wanted' leaflet today. The leaflet runs as follows:

"The Russian law-enforcement bodies are searching for Dzhokhar Dudayev on charge of creation of armed units, terrorism and other crimes. The search is done on the instruction of the Russian procurator general's office. Dudayev is charged with the following crimes: high treason (Article 64 of the Russian criminal code), call for crimes against the state (Article 70, item 1), violation of referendum legislation (Article 133, item 1) and violation of ethnic and racial equality (Article 74). Sufficient evidence has been collected to enable Dudayev accusation [as received] of deliberate actions made to

"—seize power in the Chechen-Ingush republic;

"—hamper the activities of its constitutional power bodies;

"—stir up ethnic, social and religious hostility and feud on republican territory.

"It was Dudayev who brought the republic to an economic catastrophe and involved tens of thousands of Chechens in the fratricidal war. He is guilty of blood that is being spilled and thousands of women, children and elderly people left without housing and bread.

"When hiding from the lawful retribution, having millions on his foreign accounts and luxury houses abroad, Dudayev is calling for a war 'till the last Chechen' against the federal troops.

"The arrest of Dudayev and his trial will help the soonest termination of combat operation and peace life [as received] in Chechnya.

"Everyone aware of his whereabouts is requested by the federal authorities to report this information to representatives of the law-enforcement bodies.

"Anonymity, personal safety and protection by law are guaranteed".

Russian Tanks Take 'Last Road' to Groznyy

AU2102151795 Paris AFP in English 1449 GMT 21 Feb 95

[Report by Boris Bachorz]

[FBIS Transcribed Text] Alkhan-Yurt, Russia, Feb 21 (AFP)—Russian forces Tuesday [21 February] made their biggest advance in three weeks in breakaway Chechnya, seizing control of the last road leading into the capital Groznyy.

The movement in effect cut off the last Chechen separatist fighters still holding positions in southern Groznyy from their rear base.

AFP reporters at the scene saw a score of Russian tanks push forward to the village of Alkan-Yurt, seven kilometres (four miles) southwest of Groznyy, and take control of the Baku to Rostov-on-the-Don road, formerly held by Chechen rebels.

Earlier rebels were seen rapidly retreating in cars and four-wheel drive vehicles.

Russian infantry troops also entered Alkhan-Yurt where they exchanged automatic weapons fire with separatists holding the village, Chechen fighter Issa Khadzhyev said.

At least four Russian tanks also took up positions two kilometers (one mile) north of the village of Goiti, 10 kilometers (six miles) south of Groznyy, residents there said.

They said the tanks had surrounded a separatist position, which they were pounding with artillery fire.

The Russian moves will effectively give Moscow's troops control over all roads into the capital along a 15-kilometer (nine miles) span.

The Chechen separatist commander in charge of the Alkhan-Yurt sector, Dok Makhayev, told AFP that the tank movements were "preparing a major Russian offensive in all directions later Tuesday night."

Further north, between Alkhan-Yurt and Kirova, fierce fighting raged Tuesday with the Russian army seeking to cut off access to Groznyy from the west.

One road in the region was littered with debris from heavy overnight artillery fire that left one dead and two injured in the village of Yermolovka.

"The Russians are not advancing here, they are too afraid and are simply firing from a far distance," one rebel fighter said, grinning.

Earlier Tuesday at about 0200 GMT four Russian planes raided the region south and east of Groznyy, pounding Chechen rebel positions with rockets, fighters and residents said.

Heavy artillery fire could also be heard throughout the night and Tuesday morning.

In Moscow the Interfax news agency quoted a Chechen presidential spokesman as saying that one of the Russian fighter jets was downed by the rebels as it flew over Groznyy.

Spokesman Movlady Udugov said the Su-25 aircraft crashed about 10 kilometers (six miles) south of Groznyy after being hit by a ground-to-air missile. He added that the pilot had died.

But a Russian military official denied the report saying that all the jets had returned safely to their base after the raid.

The ground offensive Tuesday marked the first significant advance by the Russians since early February when they claimed Chechen-Aul, a major crossing point 12 kilometers (seven miles) southeast of Groznyy.

The renewed fighting came in the wake of a fragile truce that collapsed Sunday with both sides accusing each other of ceasefire violations.

Moscow, which called off the weeklong truce citing repeated Chechen attacks, has refused to engage in peace talks with President Dzhokhar Dudayev, who proclaimed the independence of the tiny oil-rich breakaway republic in 1991.

Kovalev Criticizes UN's 'Indifferent Cynicism'

LD2102194395 Moscow INTERFAX in English
1519 GMT 21 Feb 95

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Moscow, Feb 21 (Interfax)—Russia's Human Rights Commissioner Sergey Kovalev believes that the Geneva-based UN Commission for Human Rights took the attitude of "indifferent cynicism" to developments in Chechnya.

"The commission is concerned about Geneva, not Chechnya, problems. Whether people are killed in Chechnya or not does not worry its members," he told Interfax upon his return from Geneva.

"The commission has not adopted yet the draft statement prepared by the chairman of its session on Chechnya, which condemns Russia for its military actions in Chechnya and urges Moscow to end them at once and do all it can to ease the work of human rights organizations in the conflict area," Kovalev complained.

According to him, the draft statement "even contains a point concerning the participation of the UN Secretary General in the endeavors to settle the conflict, which Moscow kept rejecting for a long time."

"The fact that the adoption of that statement is being obstructed in every way possible, by Europe too, is at least puzzling," Kovalev stressed.

He intends to return to Geneva to continue his work at the session in late February, he said.

Kovalev Reports 24,400 Civilians Died

LD2102161495 Moscow INTERFAX in English
1552 GMT 21 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 21 (Interfax)—The office of Russian Human Rights Commissioner Sergey Kovalev reported 24,400 civilians died in Chechnya's capital of Groznyy between November 25, 1994 and January 25, 1995.

"This is an extreme level of losses. It is only comparable to losses Poland sustained during World War II, and, time-wise, it is even considerably higher than that level," reads an analytical report prepared by Kovalev's aides.

The toll includes 3,700 children under 15 years of age, 4,650 women over 15, and 2,650 men over 50, according to the document obtained by Interfax. Among the dead are also 14,000 men aged between 15 and 50, of whom 13,350 were unarmed and 650 armed.

About 400,000 people fled Groznyy in those two months, the aides estimate.

Dudayev Hopes To Recapture Groznyy

LD2102164195 Moscow INTERFAX in English
1552 GMT 21 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 21 (Interfax)—Chechen leader Dzhokhar Dudayev intends "to recapture Groznyy", Duma deputy Anatoliy Shabad, who recently returned from the conflict region, told a news conference on Tuesday [21 February].

He said that he had met President Dudayev in one of the villages on the territory under control of the Chechen formations.

Shabad does not rule out that the Chechens would be able to retake the capital, because, he believes, Russian troops seized the city "only because they used massive shelling and bombardments."

Dudayev, said the deputy, "retains political control over the troops," while the military control is effected by commander Aslan Maskhadov.

At the same time, Shabad noted "mixed" attitudes by the Chechens to Dudayev. He believes that at the elections, if there are any, "he is not likely to be forgiven for bringing such disaster to Chechnya."

However, believes Shabad, disappointment with Dudayev will never be a cause for the Chechens to side with Russia, "because for most Chechens he remains the legitimate president."

Shabad is sure that "if before the war it was possible to hope that Chechnya will be in the Russian Federation," now it is "out of place" to pose a question like this.

Stepashin Dismisses Podkolzin Criticism

LD2102164995 Moscow ITAR-TASS in English
1552 GMT 21 Feb 95

[By ITAR-TASS correspondent Andrey Palariya]

[FBIS Transcribed Text] Ankara February 21 TASS—Russian Federal Counterintelligence Service (FSK) [FCS] chief Sergey Stepashin told ITAR-TASS upon arrival for a two-day official visit to Ankara today that commander of Russian paratroopers Colonel-General Yevgeniy Podkolzin expressed no more than his personal opinion in his statement on Monday that the FSK intelligence on Chechnya was inadequate.

"I don't know what made Colonel-General Podkolzin jump to that conclusion," Stepashin said. "He himself has never been to Chechnya".

Stepashin insisted that the intelligence data on numbers and location of groups of Dudayev's militants enabled the Russian federal troops in Chechnya to act with maximum efficiency.

The local territorial bodies of military counterintelligence worked in close contact with the army intelligence service, Stepashin said.

He cited Generals Kvashnin, Babichev and Rokhlin who commanded Russian troops in Chechnya as praising the FSK intelligence reports as products of close cooperation between the Defence Ministry and the Counterintelligence Service.

Stepashin recalled that many FSK officers risked their lives to liberate Russian officers and men captured by Dudayev fighters.

Military counterintelligence officers had to assume command in the battlefield and replace killed army officers, Stepashin said.

In Ankara, sources close to Stepashin told ITAR-TASS that the FSK chief was due to meet Turkish Foreign Minister Murat Karayalcin and Interior Minister Nahit Mentese for talks on cooperation between the two countries in fighting terrorism, left- and right-wing extremism, and drug trafficking.

He is also expected to inform Ankara on the situtation in Chechnya.

Ingush President Preparing Ground for Moscow-Groznyy Talks

LD2102175595 Moscow INTERFAX in English 1651 GMT 21 Feb 95

[FBIS Transcribed Text] NAZRAN, Feb 21 (Interfax)—President Ruslan Aushev of Ingushetia says "intensive telephone conversations are going on to try to clear the ground for formal talks" between Moscow and Groznyy.

"I have phoned several times to Prime Minister Viktor Chernomyrdin and the Government Office", he told a news conference in Nazran on Tuesday [21 February]. He said First Deputy Premier Oleg Soskovets was due to arrive in Mozdok next week to tackle the question himself.

Aushev said that until then "we will do our utmost to help towards interim negotiations between military and political delegations on both sides". In this connection, he recommended that the Chechen authorities hold talks with Russian envoy for Chechnya Nikolay Semyonov until Soskovets arrives in the region.

On Russian Military Commander Anatoliy Kulikov's order to interior ministry troops not to allow a Chechen delegation led by Chechen Armed Forces' Chief of Staff Aslan Maskhadov into Nazran on Tuesday, Aushev described the troops behavior as being a riddle to himself. "I am also unaware of whether Kulikov is acting on his own hehalf or he has been instructed to do so", Aushev said adding that "we are now trying to clarify this". The Ingush leader also spoke of having a phone call from Russian Defense Minister Pavel [Grachev] this morning in which he reaffirmed that his ministry was in favor of further talks between the Russian and Chechen military.

No Reply to Dudayev Cease-Fire Extension Appeal

LD2102180595 Moscow ITAR-TASS World Service in Russian 1719 GMT 21 Feb 95

[By ITAR-TASS special correspondent Sergey Babkin]

[FBIS Translated Text] Mozdok, 21 Feb—Three times today Dudayev's side made a proposal to extend the force of the cease-fire arrangement. The ITAR-TASS correspondent learned this from a source close to the command of the joint group of federal forces in Chechnya.

The same source announced that since the leaders of the illegal armed formations had not replied to proposals put forward earlier by the federal side, including the demilitarization of Groznyy, today's appeals by Dudayev's men had not been met with any response.

War Reported Escalating in Chechnya

LD2102195295 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 21 Feb 95

[FBIS Translated Text] Combat operations were sharply stepped up in the zone of the armed conflict in Chechnya. Ever since this morning, the federal troops have tried to block the Chechens in Groznyy's southwestern outskirts. By evening, armored equipment managed to cut off the Rostov-Baku route used to ferry supplies to the volunteer detachments.

An INTERFAX correspondent reports that a section of the road in Groznyy's southwestern outskirts has been under direct fire by tanks and heavy machineguns. Positions of Chechen detachments have been under continuous fire, with guns firing every 10 seconds.

A field commander said reinforcements are on their way to Groznyy from the direction of the settlements of Alkhan-Churt and Samashki.

Federal Troops Finish Operation To Block Chechen Fighters

LD2102210195 Moscow INTERFAX in English 1934 GMT 21 Feb 95

[FBIS Transcribed Text] GROZNYY, Feb 21 (Interfax)—Russian troops late on Tuesday completed an operation aimed at blocking Chechen fighters in southwestern part of Groznyy.

Our correspondent visiting the rebel-held suburb of Chernorechie in the southwest says that part of the

Rostov-Baku highway now comes under tank and machine-gun fire by Russian forces.

Until recently, the highway leading from Groznyy to Ingushetia has been open for road traffic and used as a supply line by the Chechen units entrenched in the city.

In the meantime, Chechen forces in the southwest come under heavy fire by federal troops and shots could be heard every other ten seconds. There are casualties among Chechen fighters and civilians.

A reinforcement is heading from Alkhan-Yurt and Samashki to help the beleaguered rebels in Groznyy, one rebel field commander told our correspondent.

By 17:30 Moscow Time, fighting continued in the suburb of Yermolovka close to the city's Zavodskoy district.

Artillery and gunfire could be heard throughout the day outside Assinovskaya and Bamut villages on the border with Ingushetia.

Chechen Official Describes Recent Fighting

LD2202093995 Moscow Radiostantsiya Ekho Moskvy in Russian 0410 GMT 22 Feb 95

[Telephone interview with Movladi Udugov, head of the information department of the Chechen Republic; place and date not given—recorded]

[FBIS Translated Text] [Udugov] In Chechnya, combat operations have resumed with horrifying might, so to speak. The Russian Air Force, artillery, and rocket launchers delivered massive missile and bomb strikes against Argun; the southern, southwestern, and southeastern districts of Groznyy; the settlements of Alkhan-Kala and Alkhan-Yurt; the settlement of Chechen-Aul; and the settlement of Staryye Atagi. Well, the scale of use of the Air Force and artillery was great, including against Bamut, the settlement of Bamut. In the morning ground-attack aircraft of the Su-25 or Su-27 variety were used—one ground-attack aircraft was shot down and a video film was shot. This morning this downed plane was shown on local television. Yes, the pilot was killed.

Then, in the afternoon the Russian troops started using these high-altitude bombers, the so called long-range air force, Tu-122 planes, which dropped heavy 2-3 tonne bombs on Argun, Chechen-Aul, Alkhan-Yurt, Alkhan-Kala, and Groznyy. Virtually the entire republic was shuddering. Today a Russian tank column advanced toward the village of Goyte across fields. Several tanks broke through toward the village of Alkhan-Yurt, trying to reach the Baku road and blocking the Baku road, the Rostov-Baku road. Since this morning fierce fighting was under way in the area of the 56th sector of the town of Groznyy. From the direction of the settlement of Gikalo, Russian troops advanced toward the 56th sector and fighting got under way for one of the commanding heights. Toward the evening, by 1800-1900 hours, this fierce clash ended there. At the price of huge losses, Russian troops suceeded in consolidating themselves on part of this height. According a report from the main headquarters, the Chechen forces retreated over a distance of 800-900 meters from this height to another height.

Fighting is continuing. Now it is on the increase. So far the Air Force is not operating, bombers are not operating. Now only artillery is firing. Here in Chechnya everyone believes that 23 February is the only reason for this. The point is that in the past few days rumors have been spreading throughout Chechnya, and in particular among the Russian military, that the Chechens, as an act of revenge, have been preparing a strike for 23 February against the Russian side, against Russian units, using all kinds of weapons, including even nuclear weapons, etc. We believe that it was the fear of the Russian military leaders that such a strike could be delivered that forced them to inflict a pre-emptive strike. In my view all this is a serious explanation. Another thing is the attempt by certain powers in Moscow, the so called party of war, to disrupt the talks and not to allow the peace process to resume. In actual fact, to completely discredit again Chernomyrdin who has already for the tenth time announced talks—as soon as he did that, there and then mass murder of the civilian population of the Chechen Republic starts. The only new nuance is that Grachev suddenly spoke in favor of talks, left for Minsk, and there and then, instead of talks, planes were flying and started bombing residential blocks of the town of Argun and the villages of the republics where a huge number of children and women who have fled Groznyy are concentrated. That is the reason for this, in my view.

Dudayev Must Respond To Previous Proposals Prior to Talks

LD2202082095 Moscow ITAR-TASS World Service in Russian 0714 GMT 22 Feb 95

[By ITAR-TASS special correspondent Sergey Babkin]

[FBIS Translated Excerpt] Mozdok, 22 February—If Russian proposals, including the demilitarization of Groznyy, are accepted, talks with the Dudayevites could be continued. The ITAR-TASS correspondent learned this from a source close to the Joint Federal Force in Chechnya.

The source denied claims by Chechen and Ingush officials who stated that allegedly on Tuesday, at General Kulikov's instruction, a delegation of Dudayev's representatives which was on its way to talks with the command of the federal forces had not been admitted to Nazran.

"The Russian command is not planning any talks until it has received an official reply to the Russian proposals, submitted for examination by the Dudayev side on 13 and 15 February and repeated in the joint command's 20 February appeal to the Chechen people", the source stated. [passage omitted]

"The Dudayevites' striving to resume talks without replying to proposals put forward previously, are evaluated by the command as an attempt to play for time," the abovementioned source told the ITAR-TASS correspondent.

Army Says Chechens Fail To Break Through to Groznyy

LD2202085195 Moscow ITAR-TASS in English 0826 GMT 22 Feb 95

[By ITAR-TASS correspondent Sergey Babkin]

[FBIS Transcribed Text] Mozdok February 22 TASS—Units of Chechen rebel leader Dzhokhar Dudayev failed to break through to Groznyy overnight and were dispersed by heavy Russian artillery fire, a spokesman of the Russian command in Chechnya told TASS on Wednesday [22 February].

He said the militants tried to advance to the capital simultaneously from the southern and northern directions and attacked federal troops from the settlements of Ilinskoye, Berkat-Yurt, and the Novopromyslovyy district.

"All attempts to break through to Groznyy failed", the spokesman said.

On Tuesday state Duma member Anatoliy Shabad told reporters that Dudayev was planning to recapture Groznyy.

It is also believed that the Chechen militants will mount combat activities in connection with the 51st anniversary of the Stalinist deportation of Chechens which is to be marked on Thursday together with the Russian Armed Forces day.

The command spokesman also denied Chechen claims that a Russian combat aircraft had been downed on Tuesday. "The reports do not correspond to reality. All planes returned to their bases", he said.

AP Photographer Wounded by Russians in Chechnya

LD2202094695 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 22 Feb 95

[FBIS Translated Text] Yesterday evening another journalist was wounded. He is AP photographer (Aleksandr Zemlyanichenko). The agency's photographic editor (Olya Shmygina):

[Shmygina] It was his third trip to Chechnya. They were returning from Groznyy in the evening and were shot at by the Russian side. When they realized they were shooting at a correspondent they immediately helped him. We are not blaming them at all because, as I understand, it was already dark and during curfew.

Duma Committee Chairman on Civilian Deaths in Chechnya

LD2202104595 Moscow ITAR-TASS World Service in Russian 0955 GMT 22 Feb 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 22 Feb—The figures for deaths among the civilian population in Chechnya resulting from the combat operations in this republic given by human rights campaigner Sergey Kovalev are close to the truth, believes Colonel Sergey Yushenkov, chairman of the Defense Committee of Russia's State Duma. "The 24,500 dead quoted by Kovalev have known names and dates of birth, the information is absolutely precise," Yushenkov said today in an exclusive interview with ITAR-TASS.

In Yushenkov's opinion, the Kovalev report talks about a minimum number of casualties to date, but the actual number could be higher. Indeed, this does not only mean those who died in Groznyy, he emphasized. There are considerably more than that for the republic as a whole. And this does not include the military losses, he noted.

According to official figures, the military lost more than 1,300 men in Chechnya. However, according to Yushenkov's calculations, that figure is now more than 2,000. "For example, on the night from 31 December to 1 January one regiment of the 90th Tank Division lost 372 men in a single batle," Yushenkov said. "The 31st Maykop Brigade was also there."

According to Yushenkov, even his figures are approximate. "In actual fact there are more dead, their number is being updated and is rising every day," he said.

Dudayev's Threats on Troops 'Practically Impossible'

LD2202134495 Moscow INTERFAX in English 1321 GMT 22 Feb 95

[FBIS Transcribed Text] MOZDOK, Feb 22 (Interfax)—Dudayev's threats to bring about a "St. Bartholomew's Night" on February 23—the 51st anniversary of the deportation of Chechens and Ingushes—against federal troops are practically impossible. This was reported to Interfax Wednesday [22 February] by a high-ranking army officer in Mozdok, North Ossetia. He stressed that Russian troops are capable of rebuffing any attack.

In his opinion there will not be any large-scale acts of terrorism Thursday.

The source announced that the advancement of federal troops to the south of Groznyy was suspended Wednesday and soldiers were trenching in.

According to the officer, after the Russian military blocked the Rostov-Baku highway militants in the south-eastern districts of Groznyy they have been practically encircled.

Economic Issues

Resumption of IMF Talks Linked to Budget Approval

LD2202095995 Moscow ITAR-TASS in English 0815 GMT 22 Feb 95

[By ITAR-TASS correspondent Sergey Bazhenov]

[FBIS Transcribed Text] Moscow February 22 TASS—"Talks with the International Monetary Fund will begin in Moscow not earlier than Friday and it is not ruled out that they will commnce next week", TASS was told on Wednesday [22 February] by Gennadiy Geraskin, an aide of First Deputy Finance Minister Andrey Vavilov, who added that the IMF is probably waiting for the results of the final consideration of the 1995 budget in the State Duma.

Geraskin believes that the IMF is waiting until the Russian State Duma approves the 1995 budget. The lower chamber is to discuss the document under the third reading on Wednesday.

"Talks are hardly possible without that approval", he said.

Geraskin said that "no absolutely exact date" of the resumption of talks had been agreed and that it would be announced soon.

Gazprom Signs Debt Rescheduling Agreement With Ukraine

MK1802120095 Moscow SEGODNYA in Russian 18 Feb 95 p 1

[Unattributed report: "Ukraine Has Signed a Protocol With Russian Joint-Stock Company Gazprom"]

[FBIS Translated Text] A Ukraine Government delegation, during the course of negotiations in Moscow, has signed a protocol with joint-stock company Gazprom, which defines a plan for rescheduling the debt for gas supplies to Ukraine in 1994. It is planned that Ukraine's debt of $500 million will be rescheduled over five to six years. The remaining part of the debt will be offset with deliveries of technical resources, the construction of facilities for Gazprom, and the sale of Ukraine enterprise stocks.

Ministry Zigzags Prompt High-Level Dismissals

MK1802111095 Moscow KOMMERSANT-DAILY in Russian 18 Feb 95 p 2

[Report by Vadim Bardin under the "Resignations and Appointments" rubric: "A Witch Hunt Is in Full Swing at the Foreign Economic Relations Ministry"]

[FBIS Translated Text] It seems that a spark supplied by a KOMMERSANT-DAILY publication (on 17 November 1994 the newspaper published an article on Foreign Economic Relations Ministry [FERM] preparations for the introduction of a fixed ruble exchange rate, following which the ministry resorted to the tactic of information blockade), has kindled a serious flame at the skyscraper on Smolenskaya Square. The hunt for those who allowed the information leak is stepping up. Initially it limited itself to the lowest rungs of the ministry hierarchy, but presently it has reached stories occupied by top officials. KOMMERSANT-DAILY has learned that Deputy Minister Nikolay Lisovskiy is about to be fired "of his own accord," while Mr. Davydov's recent favorite, Andrey Dogayev, has also found himself on shaky ground.

The classic was right: Each unhappy family is unhappy in its own way. Nikolay Lisovskiy has been accused of maintaining "connections with commercial structures." The charge is as revealing as it is pointless. The essence of the FERM's activity in principle should not boil down to manipulations with bans and permits, but should focus on support for Russian commercial businesses, which cannot be done without maintaining connections with them in one form or another. If one attempts to assess Mr. Lisovskiy's specific "fault," one should bear in mind that he is a recognized specialist in the area of credit and hard-currency settlements. Specifically, he could have given support to Alfa Bank and, maybe, the FinPA firm (owned by Petr Aven, FERM chief in the first Gaydar cabinet), which successfully operate on the Russian debt market. This suggestion is supported by the fact that transactions involving state debts require close cooperation with the FERM. In addition, Mr. Lisovskiy came to the FERM from the Economy Ministry during the tenure of Sergey Glazyev, who was Aven's first deputy.

Another explanation for Lisovskiy's resignation is also possible. He was to become Davydov's right-hand man in business talks with Western creditors. It cannot be ruled out that, given Lisovskiy's professionalism, he could not quickly enough react to his chief's frequently changing guidelines (from "we will not pay at all" to "we will pay without fail").

As for Andrey Dogayev, he appears to have fallen victim to glasnost. The issue is the scandal over Rostoplivo's [the Russian Fuel corporation] attempt to become yet another specialized oil exporter despite the government's moratorium on new registrations. THE FINANCIAL TIMES has displayed interest in the attempt, publishing corresponding material. The reason is that despite Rostoplivo's unenviable commercial status (it was set up last year), according to unofficial information the firm caters to the needs of the presidential administration. The information leak regarding Rostoplivo's attempt to join the club of specialized exporters, provoked by its competitors from among oil exporters, has rendered a behind-the-scenes decision impossible. As a result the FERM has found itself in an ambiguous position. Its choice to play by the rules, which prompted Dogayev to say officially that Rostoplivo's attempt was rejected by the FERM board, appears to have been a wrong one. Dogayev may be "corrected" by firing. Fate is unfair: While Lisovskiy suffered for his overly active contacts with commercial businesses, Dogayev, on the contrary, turned out to be not forthcoming enough.

Generally speaking, one cannot but sympathize with Dogayev. The Rostoplivo story received a follow-up in the genre of black humor. Speaking at the inauguration of the Russian Oil Exporters Union in London, Oleg Davydov admitted that the institution of specialized exporters would cease to exist in Russia this year. As a result, Dogayev's possible resignation is taking on a farcical tinge. On the other hand, a decision to draw the line at oil trade via specialized exporters may prove a life buoy that will help Andrey Dogayev keep his current post.

Chubays Urges Privatization Upswing

MK1802132095 Moscow SEGODNYA in Russian 18 Feb 95 p 2

[Report by Mikhail Lantsman under the "Privatization" rubric: "Anatoliy Chubays Urges State Property Committee To Sell Property Even Faster To Replenish State Coffers"]

[FBIS Translated Text] First Deputy Prime Minister Anatoliy Chubays spoke before his erstwhile colleagues at an expanded board meeting of the State Property Committee yesterday. Mr. Chubays, as is his wont, was optimistic in his forecasts and stern in his assessment of current affairs. "I state with the utmost responsibility that inflation will be decreasing month in, month out to reach the level of 1.5 percent." The first deputy premier's assurance is based on the fact that in its uneasy dialogue with the parliament the government has managed to push through its austere budget version. The government hopes that the draft state budget will become law next week. At the same time, Mr. Chubays called January's financial results "catastrophic." Budget revenue was 6 trillion rubles [R] instead of the 13 trillion planned. The main reasons are delays in talks with the IMF, whereas provisions for the $6-billion loan were already made in the first-quarter budget revenues, and also the slow pace of cash privatization. The budget envisions the sale of state property to generate R9.1 trillion in revenue. In January, however, the proceeds were only 13 billion.

By Mr. Chubays's estimate, privatization virtually ground to a standstill by the end of 1994. For this reason the deputy prime minister called on the State Property Committee leadership to catch up and to set their sights not on quantitative indicators (the number of privatized enterprises and sold blocks of shares), but on the amount of cash equivalent. According to State Property Committee Chairman Sergey Belyayev, the timetable of state property sales will be approved by 1 April and everything that can be sold will be sold.

Apart from replenishing the state coffers, another objective of the State Property Committee's this year will be to set in motion the mechanism of private investment in material production. According to Mr. Chubays, the domestic economy will not survive a postponement of investment for another year.

Ruble-Dollar Rate Could Be Fixed in 'Four-Five Months'

MM2202100395 Moscow RABOCHAYA TRIBUNA in Russian 21 Feb 95 p 1

[Article by Aleksandr Krotkov under the "Currency Passions" rubric: "Fixed Ruble Exchange Rate? Keep Away From Me!..."]

[FBIS Translated Text] During 1994 the dollar's trading capacity [tovarnoye napolneniye] in Russia decreased by 14 percent. This is indicated by data published in a report by the Economic Conditions Center Under the Russian Federation Government. This percentage can be regarded as a record low, bearing in mind that in the year before last the U.S. currency's purchasing power in our country fell threefold, as is evident from the same report.

It is quite difficult to explain this record by using official figures for currency dynamics. According to the logic of things a commodity, including one such as the dollar, loses value when the market is saturated with it. Incidentally, 140 percent more currency was taken out of the country than in the year before last, and only 125 percent more was brought in. But if so, how come the increase in money circulation on the Moscow International Currency Exchange leapt by 285 percent in a year?

It can only be assumed that the illicit importation of the dollar into the country, unrecorded by the official organs, is increasing at a fantastic rate.

But even this cannot satisfy the demand of our citizens, who are trying to save themselves from inflation, for "dough." Incidentally, the last thing has led to the fact that last year the Central Bank of Russia had to sell currency worth $4-4.5 million in order to check the ruble's slide. Consequently the volume of the country's currency reserves totaled $2.5 billion in January—compared with $8 billion last January.

It is not surprising that the authorities are once again returning to the idea of introducing a fixed ruble-dollar rate in Russia. Thus, Economy Minister Yevgeniy Yasin recently hinted that such a move could take place in four-five months.

However, forecasts of this kind should evidently not be taken seriously. The government is simply hoping to replace Russians' interest in the dollar with interest in state treasury bonds and make good their budgetary shortfalls.

Contraband Inflow Reaches $7 Billion

LD2002134995 Moscow INTERFAX in English 1100 GMT 20 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 20 (Interfax)—Expert of the State Duma's Committee for Economic Policies Yuriy Petrov told a round-table conference on the legal protection of Russia's domestic market, that the worth of contraband goods, brought to Russia last year, stood at $7 billion.

According to his sources, organizations which have been granted foreign-trade privileges and freed from import taxes, among them organizations of disable people, imported $500 million worth of alcoholic drinks in 1994.

In view of the talks on Russia's joining the GATT, the Committee for Economic Policies insists that Vice Premier Oleg Davydov present a report in the State Duma on Russia's position during the talks on specific types of foreign-trade concessions and on return privileges for individual categories of goods and services.

The Committee also proposed that the government set up an interdepartmental committee which will see that no damage is inflicted on the Russian economy by any organization, and investigate the causes of the damage if it is inflicted.

On February 21, the State Duma will hold hearings on the protection of the domestic market.

Import Tariffs Raised To Protect Domestic Agriculture

MK2202124095 Moscow SEGODNYA in Russian 22 Feb 95 p 2

[Report by Yelena Tregubova in the "Loyalty" column: "The Agro-Industrial Complex Will Get as Much Money as it Has Asked. The Contented Aleksandr Zaveryukha Is Waiting for Instructions to Bankrupt Unprofitable Agrarian Businesses"]

[FBIS Translated Text] Within the next few days a government decree will be issued on tightening import customs duties on agricultural products "with the aim to protect domestic producers," Vice Premier Aleksandr Zaveryukha told a press conference yesterday. Zaveryukha admitted that even now import taxes are very high: "A little more, and they will become restrictive."

In spite of the care for the "agricultural producer" thus shown by the government, however, Deputy Budget Committee Chairman Gennadiy Kulik said that today his colleagues in the faction will vote against the 1995 draft budget "owing to insufficient financing of the agro-industrial complex."

At the same time Vice Premier Zaveryukha, who is former leader of the Agrarian Party, considers such complaints unwarranted. He said that "by the start of spring planting" the government intends to "advance" the agrarians approximately 3 trillion rubles. Approximately 6 trillion more will be sent to agricultural producers "by the start to the harvesting season." It is planned to allocate several trillion "for fertilizer" and so forth. Therefore, the vice premier summed up, in the end "the sum agro-industrial complex representatives demanded from the government will be there."

Citing his recent meetings with heads of krays and oblasts, Zaveryukha said that the regions, "even if very slowly, are showing an understanding" of the need to abandon the old subsidy system. "Only tough financial conditions will be able to force domestic producers to raise efficiency," he admitted.

The vice premier expressed his determination to begin "really" to use the bankruptcy mechanism in the agro-industrial complex, "which should affect all forms of enterprises: meat factories, dairy plants, and others." According to the vice premier, he "has already had a conversation about this" with newly appointed State Property Committee chief Sergey Belyayev. Zaveryukha said that bankruptcy is the most "potent" method of combating so-called "nonpayments," which are "created especially, deliberately, by enterprises themselves." The vice premier cited the example of the Kristall distillery which "simply paid nobody but when we told it that it was a candidate for bankruptcy, it effected all the requisite settlements literally within a week." In the very near future, Zaveryukha told newsmen, a government decree "on how to declare money-losing agricultural businesses bankrupt" is to come out.

New Export, Import Regulations Pondered

MM2002113195 Moscow IZVESTIYA in Russian 15 Feb 95 First Edition pp 1-2

[Article by Irina Savvateyeva: "New Export Rules Open Up New Opportunities for Corruption"]

[FBIS Translated Text] "With the lifting as of 1 January 1996 of the export duty operating in Russia and with the abolition of the special exporter institution, the Russian Federation will become the country with the most liberalized export system," journalists were told by Oleg Davydov, Russian Federation Government vice premier and minister of foreign economic relations. It seems as though Oleg Dmitriyevich was rather hasty in his conclusions.

It looks as though the question of regulating foreign economic activity will be the most serious for the Russian Government in the immediate future. According to some assessments the stumbling block in talks on credits from international finance organizations could be not so much even the shaky budget for the current year as questions of foreign economic regulation.

The situation is indeed scandalous. Particularly with regard to oil. The renowned 31 December decree repealing export quotas for oil and deemed a most resolute step by the Russian Government on the path of market reforms last year has in fact been cancelled out by a series of subsequent decisions by the same government.

Thus, 30 January Viktor Chernomyrdin signed a decree ratifying the Statute on the Interdepartmental Commission for the Regulation of Access to Oil Pipelines. Under this statute, the volume of the transportation of oil for export is made dependent on the provision of oil and oil products for the Russian Federation domestic market.

Elaborating on the aforesaid decree, Andrey Dogayev, deputy minister of foreign economic relations, has already stated behind the scenes that a visa from the Ministry of Fuel and Energy is required for any contract involving the export of oil, testifying that this delivery is in line with the balance of the production and consumption of oil on the domestic market.

In fact, officials from the Ministry of Fuel and Energy have been given complete control over the oil pipeline today. This ministry issues proposals on the use of oil pipelines and terminals in naval ports to the Interdepartmental Commission. According to one high-ranking official at the Ministry of Foreign Economic Relations, the current state of affairs as regards the export of oil virtually does not differ from the "abolished" quoting. But whereas in the past the Ministry of the Economy used to confirm the volume of quotas, the Ministry of Fuel and Energy delivered them to the consumers, and the Ministry of Foreign Economic Relations issued licenses, now virtually all power is concentrated in the hands of the officials of the Ministry of Fuel and Energy.

Moreover, the statute on the Interdepartmental Commission incorporates a whole series of mechanisms which the officials privy to the division of the pipeline and the lobbyists standing behind them can put into effect, and thus be able to use the pipeline in their own interests. For instance, the commission has the final word in the question of ceding rights of access to the pipeline. And thus the repudiation of the unrestricted implementation of this procedure is de facto recognized.

The need for the top-priority provision of supplies for "federal state needs," enshrined in the statute, will provide big opportunities for interested persons. What, strictly speaking, these "federal state" needs are is not regulated by a single legislative act. On the other hand, this concept is being successfully interpreted by everyone who can afford to do so.

IZVESTIYA was also told a dubious story about "Balkar-Trading," which received the right to urgently pump out 8 million tonnes of oil on the pretext of providing for state needs. And about the attempts made by "Rostoplivo" (nearly crowned with success) to obtain the right of top-priority access to the pipeline with the aim of "funding programs of the Russian Federation president's administration of affairs...."

The inevitable consequence of all the aforesaid actions is that independent exporters have been squeezed out of the pipeline.

And on 18 January the government adopted a directive in accordance with which a system for the obligatory assessment of the quality of exported commodities was created in Russia. The arguments of the advocates of this measure are that additional monitoring of the price of the commodity being exported is being implemented, and this monitoring gives the state an opportunity to prevent any price-cutting in the deal, the concealment of profit, and the flight of capital.

However, there are counterarguments too. Thus, the same oil exporters say that such a decision gives officials extra opportunities for manipulation. On the pretext that at a given moment the oil flowing through the pipeline is not of the same quality that is being offered by the exporter, he is simply denied access. As for the problem of the flight of capital, then it would possibly be more logical to solve it from the other end—by creating conditions for its advantageous application in your own country. But the logic of state regulation being applied at the moment will inevitably result in one thing—complete state monopoly on foreign trade.

Incidentally, the same logic is also incorporated in another document, which regulates foreign economic relations today. This is a question of an interdepartmental document (the authors are the Ministry of Foreign Economic Relations, the Ministry of the Economy, and the State Customs Committee)—on the "Procedure for the Registration of Contracts for the Export of Commodities." This document envisages the possibility of regulating contract prices and even refusing the registration of contracts if a Ministry of Foreign Economic Relations official considers that the contract price is lower than the world price, and the conditions of the contract damage the Russian Federation's economic interests.

As someone who has fallen victim to such decisions noted: "It would be better if they wrote straight away: These people and these people are to be given these particular bribes...." In practice, the new "Procedure" has turned into a completely ferocious and unbridled outburst of bureaucratic arbitrariness and bribery. Specialists believe that this kind of decision should be a topic for examination by the Constitutional Court.

It is not only existing decisions that are the subject of embittered polemic today, there is also the draft Law on Foreign Economic Activity, prepared for examination by the Duma. Strictly speaking, the dispute is going on mainly over two factors: The institution of special exporters, envisaged by the law, and the mechanism for import quotas.

Here are the typical arguments adduced by supporters and opponents of special exporter status.

Vladimir Golyakov, deputy chief of the Ministry of Foreign Economic Relations Main Economic Administration:

"Where there are natural monopolies and unrenewable resources, special export status is vital. Particularly in a situation where there is a disparity between internal and external prices."

Sergey Prikhodko, chief of laboratory at the Institute of Economic Problems of the Transitional Period:

"I can state unequivocally: As of today the question of nontariff regulation—quotas, licenses, and special exporters—plays practically no role at all. You can toughen up restrictions as much as you like, but those who have been selling commodities hitherto will continue to sell them. They will be counted as special exporters, they will gain access to the pipeline. Because this is extremely profitable. And the problems can be solved with the help of money, with the help of connections...."

The supporters of the liberalization of foreign economic activity are insisting that the preservation of the institution of special exporters is not required at all to keep up monitoring of the return of currency earnings to the country either. Experience shows that the registration of certificates of deals recently introduced makes it possible to implement this monitoring through authorized banks fairly reliably.

As for import quotas, this question is ambiguous. Import quotas are allowed under GATT. But only as a temporary measure. At the same time, a state which introduces quotas and is a member of GATT (and Russia, as we know, aspires to this), must present convincing proof that the funds which the local producer receives because of his advantageous position will be used to raise him, the producer, to a normal level. The aim being that, within about three years for instance, he will be able to compete against a foreign producer. The big question is: Does Aleksandr Zaveryukha, who has been fervently defending import quotas for several years now, have a similar program for leading agriculture out of the crisis?

In all probability, any provisions on restricting import, if they are enshrined in a law, must be spelled out thoroughly and in detail. Otherwise the thesis about the need for import quotas may be interpreted by interested persons as widely as they want, which is liable to result in Russia's economic isolation and the preservation of the present uncompetitive state of the Russian economy.

International Affairs

Foreign Minister Opposes Extensive UN Peacekeeping

LD2102202595 Kiev UNIAN in Ukrainian 1920 GMT 21 Feb 95

[FBIS Translated Text] Ukraine is not interested in a large number of peacekeeping operations as they place a heavy financial burden both on the United Nations and on all of its member-states, Ukraine's Foreign Minister Hennadiy Udovenko told a news conference on 21 February dedicated to the 50th anniversary of the United Nations. For this reason, he said, Ukraine will not be part of preventive action anywhere, including on the territory of the CIS.

"The task of the United Nations at this stage should be to prevent new regional conflicts and assist economic development of third world countries and countries with transitional economies," he said.

Speaking enlarging the UN Security Council, the minister said Ukraine is in favor of creating a seat for Eastern Europe to represent the interests of the region. On the other hand, he said, excessive enlargement can damage the Security Council's efficiency.

Mr. Udovenko added that Ukraine's contribution to the UN budget will be cut as of 1996.

Defense Minister on CIS Summit, Collective Security

WS2002085295 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 14 Feb 95 p 3

[Interview with Valeriy Shmarov, deputy prime minister and defense minister, by unidentified reporter; place and date not given: "We Called a Timeout"]

[FBIS Translated Text] [Reporter] **Valeriy Mykolayevych, what were Ukraine's gains and losses at the Almaty summit [of CIS leaders]?**

[Shmarov] I do not think that we lost anything. On the whole, the discussion of all the problematic issues was conducted on a democratic basis. There was no "Kremlin" bias, and resolutions were adopted taking into account the opinions of all states. The summit proceedings showed that the need for consensus, for the joint adoption of resolutions, is gaining more and more importance in CIS intergovernmental relations. Many issues discussed were not resolved because they were insufficiently prepared—for example, an agreement on protection of CIS external borders, the examination of which was rescheduled for May.

[Reporter] **What are Ukraine's conditions for joining this agreement?**

[Shmarov] We called a timeout until 24 May, when the next summit is to be held. Our stance is as follows: The agreement must not infringe upon our sovereignty. If this condition is observed, we will support the creation of a mechanism, or a system, for regulating our interaction.

[Reporter] **Does this mean that the scenario in which Ukrainian border guards protect CIS borders in, say, Uzbekistan or Tajikistan, is excluded?**

[Shmarov] That is unrealistic, beyond any doubt. We will protect our own borders, and hope to God that we will cope at least with this problem. Our contribution to the protection of the CIS territory may lie only in protecting our western and southern borders. On the whole, cooperation in this area does make sense, since neither NATO nor any other system provides a mechanism for protecting our borders. We need to find this mechanism within the CIS framework.

[Reporter] **Has Ukraine's stance toward the CIS collective security bloc changed?**

[Shmarov] No, our state remains outside any bloc. We do support, however, all rational proposals. For instance, we have signed an agreement on joint coordination measures in the sphere of air defense. Ukraine has many technical facilities, for example, radar stations which can receive information at ranges up to 1,000 km and beyond, to monitor the situation in the Mediterranean and Europe. We need to know what may befall us from the west and from the north. We exchange whatever information is available to us in that regard with our CIS partners. In addition, for example, Russia has satellite radar equipment, whereas Ukraine has not. Thus, in my opinion, we have adopted the right resolution.

[Reporter] **Could it happen that Ukrainian troops will be involved in CIS "hot spots?"**

[Shmarov] We abstain from this. These places may only be visited by our consultants or our observers. The participation of our troops in military action is possible only within the framework of the UN peacekeeping forces, or by a resolution of the Organization on Security and Cooperation in Europe.

Shmarov Denies Force Withdrawal From Bosnia

LD2102152695 Kiev UNIAN in Ukrainian 1420 GMT 21 Feb 95

[FBIS Translated Text] Kiev—The working visit to Sarajevo by Ukrainian Defense Minister Valeriy Shmarov was a planned one. UNIAN was informed of this on 21 February at the Ukrainian Ministry of Defense press service, which was commenting on reports by some of the mass media on the urgent departure of the defense minister, which was supposedly linked with the preparation of proposals regarding withdrawal of our "blue helmets" from former Yugoslavia.

The Ukrainian Ministry of Defense has categorically denied such assertions, noting that the issue is currently being elaborated of even increasing the Ukrainian contingent of peacekeeping forces.

After personally inspecting the rotation of the 60th Ukrainian battalion of UN peacekeeping forces, Valeriy Shmarov is to return to Kiev from Sarajevo on 21 February.

Diplomat Outlines Delegation's Tasks in Moldova

LD2102160295 Kiev UNIAN in Ukrainian 1250 GMT 21 Feb 95

[FBIS Translated Text] Kiev [no date as received]—Meetings with Moldovan President Mircea Snegur, Prime Minister Andrei Sangheli, parliament Chairman Petru Lucinschi, and Foreign Minister Mihai Popov, are planned for the visit to Moldova by the Ukrainian government delegation led by Foreign Minister Hennadiy Udovenko on 23-24 February. Ambassador-at-large Andriy Ozadovskyy reported this at a briefing at the Ministry of Foreign Affairs today.

The talks will be about cooperation in the political field, and also about expanding trade and economic cooperation and strengthening the contractual and legal base, particularly on border issues. The sides will exchange opinions on settling the Dniester conflict.

According to Andriy Ozadovskyy, the Ukrainian side has handed over agreements on free trade and promotion and mutual protection of investments to the Moldovan side for examination.

The Ukrainian Foreign Ministry's ambassador-at-large reported that it is planned to sign a series of documents during the visit, particularly protocols on cooperation in the information sphere and on holding regular consultations between both countries' foreign affairs ministries.

In Andriy Ozadovskyy's opinion, the agreement on cooperation in border issues, which was concluded on 3 November 1994, will make it possible to begin work on delimitation and demarcation of the state border after the agreement comes into force.

The Ukrainian Ministry of Foreign Affairs reported that diplomatic relations between the countries were established on 10 March 1992. The treaty on friendship, good-neighborliness, and cooperation was signed in October 1992. The contractual and legal base numbers approximately 40 documents.

UNA-UNDF To Impede 14th Army Withdrawal

LD2102212795 Moscow INTERFAX in English 1934 GMT 21 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 21 (Interfax-Ukraine)—The Ukrainian nationalist organization Ukrainian National Assembly-Ukrainian National Defense Forces (UNA-UNDF) will impede the withdrawal of property belonging to the Russian 14th Army from Transdniester through Ukraine, a UNA-UNDF deputy chairman, Dmitriy Korchinskiy, told a news conference in Kiev Tuesday [21 February].

According to Korchinskiy, "the friendly Transdniester republic must receive the army property." The stocks of ammunitions alone total about 500,000 tonnes, he added.

Korchinskiy supported Transdniester's integration in Ukraine. "This will result in establishing Ukraine's natural borders along the Dniester," he said.

"It is time we played the Transdniester card," he told the news conference.

Oil Protocol Signed With Libya; Other Agreements Failing

WS2102122995 Kiev UKRINFORM in English 0830 GMT 21 Feb 95

[From the "Business News Weekly" feature No. 7, 13-19 Feb 95]

[FBIS Transcribed Text] A protocol of intentions involving supplies of Libyan petroleum products and gas to Ukraine was signed in Kiev as a result of a session which the mixed intergovernmental committee on Ukrainian-Libyan trade and economic cooperation held in the Ukrainian capital.

According to 'Abdallah al-Badri who led the Libyan delegation to the session, Libya is interested in Ukrainian experts' assistance in developing its domestic gas and oil fields, as well as in imports of Ukrainian agricultural products and engineering.

In turn, Libya is ready to ship its fuels to Ukraine, with crude petroleum likely to be carried by tankers to the Odessa unloading facility.

However, terms, tariffs, and amounts of fuels to be thus supplied to Ukraine have not yet been settled.

As is known, Libya is the object of UN sanctions; this circumstance needs to be taken into account in the process of Ukrainian-Libyan negotiations.

Ukraine has signed fuel agreements with Azerbaijan, Uzbekistan, Tatarstan, Iran, Iraq, and Nigeria, which are very similar to the one it is negotiating with Libya. For diverse (though basically political) reasons, none of these have been implemented so far. Russia has been blocking fuel supplies to Ukraine from Azerbaijan, Tatarstan, and Uzbekistan. Azerbaijan's and Iran's access to Georgia's marine ports (in Poti and Sangreli) has been made impossible by the regional hostilities in Nagorno-Karabakh and Chechnya, while alternative routes, including petroleum and gas pipelines across Iran and Turkey, remain a subject of conjecturable drafting at best. The UN Security Council's embargo on Iraq's petroleum exports remains an unsurmountable barrier, making Ukraine's cooperation with Iraq impossible until the embargo is either lifted or relaxed.

National Affairs

Udovenko Comments on Relations With Russia

LD2102195595 Moscow ITAR-TASS in English 1711 GMT 21 Feb 95

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[FBIS Transcribed Text] Kiev February 21 TASS—Russian President Boris Yeltsin's visit to Ukraine "cannot but take place". After both parties initialled a large-scale Russian-Ukrainian treaty of friendship and cooperation, expert groups work daily, striving for a final coordination of individual clauses in the document.

This is what Ukrainian Foreign Minister Hennadiy Udovenko told a news conference on Tuesday [21 February]. Ukrainian President Leonid Kuchma sent an official invitation to his Russian counterpart, he added.

Touching upon Ukraine's indebtedness to Russia, Udovenko said that it should not obstruct development of Russian-Ukrainian relations. At present, intensive talks are under way aimed at re-structuring the indebtedness. Udovenko expressed hope that the Russian party will sympathize.

The division of the Black Sea Navy poses a problem of no less significance. But this problem is solvable, too, he said. The parties concerned devised a happy formula, which will be used in the wording of the declaration on the principles of division of the Black Sea Navy.

Present negotiations should pave the way for developing cooperation between Ukraine and Russia, Udovenko said. This cannot be hampered by any forces, he emphasized.

Debate on State of Emergency Law Proposed

LD2102211595 Kiev UNIAN in Ukrainian 1920 GMT 21 Feb 95

[FBIS Translated Text] Kiev—Ukraine is approaching the culminating moment of its crisis state, which should be expected in March, Oleksandr Moroz, the chairman of the Supreme Council said at the all-Ukrainian congress of trade union leaders on 21 February. He said that he had proposed that the government submit for the Supreme Council's consideration in March a draft Ukrainian law "On a state of emergency."

Moroz noted that the talk was first and foremost of managing the state's economy during a crisis, since "a state of economic emergency already existed in Ukraine." He is convinced that today 75 percent of the people in the state were very poor, 1.5 percent were very rich, and the rest were poor or relatively rich.

The crisis, according to Moroz, was also being observed in the trade union movement where there was a need for changes, particularly in decentralization and in the establishment of regional trade union agreements. The parliament, the chairman of the Supreme Council noted, was in favor of tighter contacts between the trade unions and the Supreme Council, particularly in its demands to the government and the president with regard to the social protection of the population during the implementation of reforms.

Moroz expressed support for giving trade unions the right of legislative initiative. He noted that the parliament and trade unions should work together on the issue of tax exemptions preserving jobs, and creating an efficient employment service.

Moroz said that recently he had become "concerned at the appearance of a steady tendency toward a parallel creation of laws by the executive structures." As an example he cited the creation by presidential edict of a commission for export and import operations, the resolution for which, according to the chairman of parliament, was "signed by an official" who breached current legislation.

Kuchma Political Strategy Analyzed

954F1302A Kiev MOST in Russian No 5, 6-12 Feb 95 pp 2-3

[Article by Vyacheslav Pikhovshek: "The 'Crisis Tsunami' of President L. Kuchma"]

[FBIS Translated Text] A **"crisis tsunami"—that was the way President L. Kuchma described the situation in the state at a meeting with editors of the mass media in Zhitomir. The president's words are quite symptomatic—they characterize not only the actual state of affairs in the country, but also the mood of the higher Ukrainian leaders and the logic of their behavior.**

The logic of President L. Kuchma's actions shows that of the two possible methods for starting market reforms—convincing the people, with the aim of getting broad public support of the movement toward the market, and purely lobbyist-administrative staff "dismantling" within the general state structures and the administrative vertical line—his command staff chose the second. It is difficult to evaluate the correctness of this choice without being in the place of those who remain behind the scenes of the events—L. Kuchma's people from 11 Bankovskaya Street: V. Gorbulin, D. Tabachnik, V. Yatsuba, P. Lelik, A. Novikov, and others who, it seems, bear the main load of structural reformation on their shoulders. This choice was made, however, and was most likely motivated by the very past of most of these people, by the fact that they know best of all what to do in this life. The work front is quite broad—the old scheduled appointment list, the management of subsidized enterprises, the communists and chairmen of the kolkhozes, who are accustomed to emission credit, are in opposition to the president.

The words "crisis tsunami," against the background of talk about reform and pro-market propaganda, it seems, describe in the best possible way what the Administration of President L. Kuchma deals with 24 hours a day, an

administration with which the Presidium of the Supreme Council, headed by A. Moroz, and the Cabinet of Ministers, headed by V. Masol, are forced to coexist and commensurate their own activity. They are forced to deal with this, since it has turned out that reform is now dealing with them.

The Basic Attack

It is difficult not to notice how the style of L. Kuchma's speeches contrasts with the lulling-soothing tone of the former president. Whereas L. Kravchuk, with his allusions to the "destructive actions of certain political forces," pointed out the next propagandistic turns, L. Kuchma speaks without having to be deciphered, and his words can be understood only in the context of current political events. When L. Kuchma says, even in his New Year's greeting, that "Ukraine will be purified and made healthy," there is something more behind this than a simple speech.

The basic attack—this is the way to describe the assault of L. Kuchma's command staff on the structures which lazy journalists as a rule write about as "the forces which stand behind...." The details of this assault will most probably never be known to the public, but it was not very hard to predict this sort of logic in the actions of the new administration: There is no sense fighting for details if you have not finished with the main thing.

The November-December 1994 scandal surrounding the commodity bonds of the Ukrainian Credit Fund is already quite well known. Let us recall that People's Deputy Igor Kvyatkovskiy at that time stated at a press conference that the funds obtained from the sale of the bonds issued to fulfill ex-president L. Kravchuk's edict of 7 April 1994 are accumulating in a bank account in one of the banks in the city of Tsyurikh. The ex-president himself stated in response that "not a single bond was sold."

Even if we set aside the real motives for creating the UKF [Ukrainian Credit Fund] and explain that scandals like this do not arise out of thin air, for no particular reason, this situation merits real attention since the appearance of President L. Kuchma's edict on liquidating the UKF. Just suppose for a minute that each press conference results in the liquidation of the organization that was criticized at the press conference?

I should like to emphasize that it is not a question here of the activity of the UKF, or of the expediency of the existence of this structure in general. It is something else that is interesting: Despite the statements of S. Buryak, vice president of the UKF, that the bonds presented by journalist I. Kvyatkovskiy were forged, the UKF was liquidated, and the "scandal" itself died down after this, as if by a wave of the magic wand of a stage director. A few journalists "bite" at the sensation, I. Kvyatkovskiy does not refute S. Buryak's statement about the "forged bonds," and... silence. Without, obviously, giving the name of the person who turned these "bonds" over to him. The possibility is not ruled out that they played Mr. Kvyatkovskiy without knowing their cards, and he really did not know the stage director's name, family name, and patronymic.

If, however, this article has the purport of determining that the stage director is "unknown," then in any case we cannot go very far wrong in reckoning the reasons for his actions, as they say, as the opposite, assuming that it is a question of who was personally interested in the last item of President L. Kuchma's edict of 10 December 1994 which liquidated the UKF—of the fact that the ex-president's edict No. 385 on appointing K. Prodan president of the UKF ceased to be in force.

Konstantin Konstantinovich Prodan is a classic "Dnepropetrovets," in all possible meanings of the word, perhaps possibly even more of a "Dnepropetrovets" than anyone else, a former manager of the affairs of the Central Committee of the Ukrainian Communist Party, one of several whom the last Central Committee of the "Gurenkovskaya" Communist Party entrusted with representing the interests of the Ukrainian Communist Party, banned at that time. The name of Prodan is mentioned reluctantly, by people who pronounce it correctly, and hardly more than 20 not very talkative people know the details of his biography. Some of the best informed assert that in connection with K. Prodan one should look more attentively at the affair of the "New Generation" fund, which is just beginning to go into circulation.

A Prime Minister in the Law

The attack on Masol can be regarded as quite a classic illustration of President L. Kuchma's style of work—in contrast to L. Kravchuk's "trickle-down" style. L. Kuchma first took a long time choosing the site for the assault, and then acted, using every possible method to achieve his goal. The decisive assault on the last Bastille of the left in the executive power structure was made in a fully legal way. Despite the completely understandable mood of the deputies who relied, with misgivings, on the president's limiting the rights of the Supreme Council, the main point in the law did not pass unnoticed—the actual elimination of the position of prime minister, the direct control over executive authority by the president of the Ukraine. The process of "quietly forcing out" Vitaliy Masol began in parallel with parliament's discussion in the meeting hall of the presidential draft bill on power.

Vitaliy Andreyevich Masol was almost the only one of the Brezhnev apparatchiks left who had real power. Having peacefully survived the liquidation of the majority leftists in the Supreme Council, and not having reacted to the scandal with "Slavutich," Prime Minister Masol sensed the danger of the presidential draft bill and made a preemptive salvo: a letter to A. Moroz, with a heart-rending description of the crisis in the economy, ending with a completely depressing summary—there is no reform, but there is a crisis. In parallel, the leftists organized a few significant attempts to influence the course of Kuchma's reforms, through the "back door"—a discussion of the minimal consumer level and the minimum wage in the context of the Law "On Labor" almost brought about a new credit emission.

As we can see, the political tactics of the left underwent substantial changes. Formerly, V. Masol acted more independently, as happened on 29 August 1994, when he signed, along with Mr. Veselovskiy, deputy chairman of the board of the National Bank, a decree on the emission of 213 trillion karbovanets, and parliament was on vacation. The premier's next demarche was the declaration of the inexpediency of opening an Interbank Currency Exchange, which ran counter to the president's August edict on this question. This was only the beginning, though—the president's plans to liberalize prices again drew criticism from the premier, who was formally subordinate to him.

Most likely, the transfer of initiative in antimarket actions from V. Masol to parliament happened at the time when Viktor Pynzenyk was appointed first vice premier. It is characteristic that the communists and socialists began from that time to ascribe the authorship of Decree 733 on the liberalization of prices, signed by Masol even before the appointment of Pynzenyk, to the latter. It is interesting that the attempt to "lay" the truly politically unpopular decision on Pynzenyk came precisely from V. Masol—the premier refused to defend to his deputies the need to liberalize prices, suggesting that his first vice premier do this, but V. Pynzenyk insisted that the premier, who had signed this decree, make a speech before parliament.

The lobby struggle within the Cabinet of Ministers continued to gain circulation. V. Masol began to complain to the deputies that the president was taking all the decisions to the vice premiers, bypassing him. Masol's people began to work on the press, hinting that Masol was an excellent specialist and it was he who would not let L. Kuchma's people fall upon the money. True, some specific facts were not cited here. Incidentally, the president's people also worked on the press.

The next round in the battle between the president and the premier, the existence of which was not acknowledged by its participants, began last December when V. Masol signed the zero option for allocation of the debts and assets of the former USSR with Russia. A few days later V. Gorbulin, secretary of the National Security Council, at the regular briefing of the president in the administration accused the prime minister of violating the instructions given by the president before he flew to Moscow. The people of V. Masol's staff—V. Melnichuk and Yu. Zbitnev—stated that without "the sanction of the president, V. Masol would not sign the zero option for anything," and gave their explanation of the course of events. Yu. Zbitnev, adviser to the Ukrainian prime minister, for example, asserted that, "the redistribution of power had begun with the arrival of the new president, and edicts had been issued which kept the premier out of the country's leadership. The idea of Mr. Masol's dismissal was the idea of the president's circle." The game played around the zero option was interesting, not so much because of what really happened as because of the way it happened. V. Masol personally asserted to URADOVIY KURYER that "the decision on the zero option was sanctioned by the president," and L. Kuchma, at a meeting with the members of the Derzhavnist parliamentary faction, answered, in response to Deputy M. Gorbal's question, that "V. Masol had not displayed sufficient adherence to principle."

Left, Further Left, and "Completely Left"

It very obviously ensues, from recent conversations with the representatives of V. Masol's "support group," that they worry most of all about the possibility that many of the problems that have piled up in the state will "be written off" to their leader. The front of true militant actions has moved to the Supreme Council, where the left still maintains its influence, and one cannot help but reckon with it.

While the premier is doing everything to survive, speaker A. Moroz is doing everything to secure for himself the role of "second person in the state." The president has only to hold a meeting with the oblast leaders and the speaker holds his own meeting.

The speaker has been trying to introduce the tactics of "leadership of the oblast" for a long time now, and one has only to recall his attempt to appoint representatives of the Secretariat of the Supreme Council of Ukraine in the oblasts. First, President L. Kuchma held his own meeting with the chairmen of the oblast councils—members of the Council of Regions—and the speaker followed in his footsteps. D. Tabachnik, head of the presidential administration, in analyzing the meeting of the chairmen of the councils, which was held on 16 January, stated that it was a staged spectacle, the goal of which was to prove the existence of the regional leaders' refusal to support the president's draft bill on powers. D. Tabachnik expressed dissatisfaction with the activity of the Conciliatory Commission, which until then had not yet drawn up the document forming the basis on which the president and the Supreme Council could hold their talk. In response, Vasiliy Ivanino, director of the Supreme Council Press Service, held his own briefing, where Steshenko, chairman of the Parliamentary Commission on State Construction, the Activity of the Councils, and Self- Government, stated that the assertion that the workers' meeting of the directors of the councils on 16 January at the Supreme Council was aimed at foiling the adoption of the presidential draft bill on powers was not true. Speaker Moroz declared that "holding assemblies was approved by the president." It is very interesting that the government press reported the "unanimous" support by the chairmen of the oblast councils of both the position of the president and the position of the speaker.

The "left" torpedoed the president's initiative not only in words—a proposal arrived from the speaker on passing the Law on the Cabinet of Ministers, and a proposal to the president on taking on the legislative initiative for a period of one year.

The "left," "further left," and "completely left" created a unique atmosphere surrounding Kuchma's activity. B. Oleynik, one of the Communist Party leaders, declared at the First Republic Congress of Peace-Loving Forces Against Extremism, Aggressive Nationalism, and Threat of Fascism that "the people were being deceived by the Western bourgeoisie, and the Western states were waiting for the firing to cease in Ukraine in order to tear it to 'pieces.'" Mukhin, chairman of the Ukrainian Supreme Council Commission on Questions of Defense and State Security, declared that "if the law on powers is passed without amendments, Ukraine can expect the same events that took place in Russia and will completely finish Chechnya." The opposition of the "left" is tougher. The All-Ukrainian Union of Workers, with the direct assistance of the communists, is expanding its own infrastructure, and the president cannot help but notice this.

The Battle for Land, the Battle with the Directors

It seems that the main thing in the matter of privatizing land and the bankruptcy of unprofitable enterprises, "perching" on eternal state subsidizing, still lies ahead. Privatization of land has died down without having begun, enterprises are being further subsidized. Premier V. Masol's statement about further emission credit for agriculture, the coal industry, and a number of other sectors aroused no reaction from the president. It is possible that President L. Kuchma's command staff is simply waiting for discussions about the new State Budget.

It Would Be Nice To Be an Arbitrator

The unprecedented activity which ex-president L. Kravchuk recently displayed was, of course, realized in the "idea of national unity." The All-Ukrainian Porozuminna Association, created by Leonid Makarovich, in the words of V. Karpenko, national-democratic editor of VECHERNYY KIEV, "is understood to be, not a political party, but a public organization, open to party and nonparty persons, for democratic parties which share its programmed principles." The declaration on creating the Porozuminna was signed, along with L. Kravchuk, by ex-dissidents Yu. Bodzo, V. Chemeris, O. Shevchenko, M. Goryn, M. Shybiko, and the "classic" national-democrats P. Movchan, M. Zhulinskiy, P. Osadchuk, V. Mulivo, Yu. Mushketik, R. Ivanchenko, V. Karpenko, V. Chervoniy, and R. Ivanchuk. Among the founders of the association of "enlighteners" were quite a few people who have repeatedly lost elections but may in time do L. Kuchma a bad turn.

It is interesting that on the question of dividing up powers, Porozuminna most easily finds common language with the left. In the words of L. Kravchuk, "even though L. Kuchma says that he has little power, he can replace all the officials; he proposes an unqualified, unconstitutional approach for us, and can in this way go as far as the loss of human rights."

The Attack of the Technologists

All these circumstances taken in total also affect the actions of the administration of the Ukrainian president and determine the logic of its behavior. It seems that the way L. Kuchma's command staff is striving to solve its political problems resembles a technological chain: Each action has its own time and is a component of a certain process.

Along with the breaks in the list of appointments, the attack on V. Masol occupies an important place in the activity of the "whole presidential battle." Its director himself sets the tone: "The government deals hardly at all with questions of economic reform," and there are "serious internal contradictions in the government." The premier's conclusion on the deterioration of the economic situation last year, as a result of the start of economic reforms, is not confirmed by the data of the Ministry of Statistics. Anatoliy Galchinskiy, the president's adviser on questions of macroeconomics, gives the facts: The production slump was 27.8 percent in the second half of 1994, and 35-37 percent in the first half. "That is, in the second half-year they managed to reduce the production slump by eight to nine points," Mr. Golchinskiy concludes. In the fourth quarter of 1994 prices rose by a factor of 2-2.5 less than in the fourth quarter of 1993.

The creation of the Ukrainian Council of Economic Management—actually parallel with the Cabinet of Ministers—signified the next stage of the attack on V. Masol and at the same time signified that after the Supreme Council's procrastination in passing the Law on Powers, the president had begun to lose patience. At a meeting of the Cabinet of Ministers on 4 January, after the statement by Ye. Marchuk, first vice premier, that "the most corrupt people in the state are sitting in this hall," the question of dismissing V. Masol arose. V. Masol was not "dismissed," and began a press campaign in his own defense, even though V. Masol's people were beginning to get emergency airports ready: Yu. Zbitnev urgently united his social- democratic party with the parties of V. Onopenko and N. Grechko.

The tone of the president's speeches grew stronger: In Tbilisi he declared that "the attitude toward Pinochet had to be changed"; D. Tabachnik, head of the administration, who cannot be suspected of not knowing history, explained at a press conference that "Pinochet had gone into retirement after the democratic elections were held." Vladimir Yatsuba, chief of Territorial Administration of the administration of the president of the Ukraine, confirmed to the press that "the legislative work which the people were waiting for would not be carried out, that talks were in progress about—collective lack of responsibility, and the need for a clear-cut executive vertical." Yevgeniy Marchuk, first vice premier, talked about the need "to improve executive discipline, at least among the ministers."

The subordination of the National Guard to the president of Ukraine, the retirement of General Gayduk, chief of the Main Security Administration (former Ninth Administration of the KGB), the removal of the oblast administrations of internal affairs from the jurisdiction of local authorities and their resubordination to the Ukrainian MVD, the instructions of the president on setting up a National Bureau of Investigation—all these are links in a single chain, which can indicate that the president has really begun to crush all the executive structures under his feet. At the same time, one must not rule out the possibility that such actions pursue the goal of psychological domination over political opponents.

Even the mood of the state employees at different levels attests to the fact that a premonition of some conflict has taken hold of the entire sphere of the administrative system. The fact that the chairmen of the oblast councils support the president today, and the speaker tomorrow, is not surprising either. Everyone is impatiently waiting for someone to win, in order to support the victor. Well, it does not appear that they will have to wait long for the finale.

Will the presidential command staff, however, make the mistake of using only administrative-staff-lobbying methods of solving the problem of political opposition? Would it not be simpler to turn to the people, explaining just what is really going on, without handing out propaganda weapons to the communists?

President Notes 'Unsatisfactory' Work Against Crime

LD2202113395 Kiev UNIAR in Ukrainian 0925 GMT 22 Feb 95

[FBIS Translated Text] Another presidential instruction concerns stepping up the fight against corruption and organized crime. The document notes that the activity of relevant state bodies on overcoming crime is unsatisfactory.

In this connection, Ukraine's Prosecutor General Vladyslav Datsyuk, Minister of Internal Affairs Volodymyr Radchenko, and Chairman of Ukraine's Security Service Valeriy Malikov have been told of the ineffective work in the fight against racketeers, mafia groupings, and crimes in the economic sphere. They are obliged to fundamentally review the methods of crime prevention and search for new nonstandard methods of curbing crime.

Commission Formed to Reorganize Broadcasting

LD2102134995 Kiev UNIAN in Ukrainian 0950 GMT 21 Feb 95

[FBIS Translated Text] Kiev [no date as received]—A liquidation commission has been set up by a government decision of 20 February for the reorganization of Ukraine's State Television and Radio Broadcasting Company. Viktor Orkusha [name as received] heads the commission. The commission is to hand over the property of the company to be managed by the State Committee for Television and Radio Broadcasting within three months.

It is well-known that the following are being formed on the company's basis: the National Television and Radio Company of Ukraine, the "Krym" state television and radio company, the Kiev and Sevastopol state television and radio companies, and oblast state television and radio companies.

The Ukrainian Cabinet of Ministers subordinated the Radio Broadcasting, Radio Communications and Television Concern (as an integral system of radio relay networks, satellite stations, transmission means, and dissemination of television and radio programs in Ukraine and beyond its borders) to the State Committee for Television and Radio Broadcasting, removing it from the Ukrainian Ministry of Communications system.

Broadcasting Chief Rejects Left-Wing Demand for Air Time

LD2102212695 Kiev UNIAN in Ukrainian 1920 GMT 21 Feb 95

[FBIS Translated Text] Kiev—"Public television will never be a mouthpiece for any political party," Zynoviy Kulyk, chairman of the State Committee for Television and Radio told UNIAN on 21 February.

His statement followed earlier reports that left-wing organizations planned to picket Ukraine's television and radio and demand a weekly slot to broadcast their views. The picketers will also insist on removing a number of leading broadcasters from program-making.

Kulyk said he had spoken on the telephone with Vasyl Arestov, the head of the committee organizing the action. The two men agreed to hold a meeting between the picketers and the broadcasting management at 12 noon on 22 February, the time when the picketing is due to begin.

Kiev city council has banned the picketing, and Kulyk believes that none of the left-wingers' demands will be met since they either contradict or are not envisaged by active legislation. "No air time will be allocated for any live propaganda of political views. Ukraine's political life and the activities of its political parties are covered in regular news programs," he said.

Further on Possible Basing of Navy in Balaklava

LD2102183695 Moscow INTERFAX in English 1651 GMT 21 Feb 95

[FBIS Transcribed Text] SEVASTOPOL, Feb 21 (Interfax-Ukraine)—The Balaklava bay near Sevastopol and other ports of the city are being viewed as potential bases of the Ukrainian Navy, Commander of the Ukrainian Navy Vice Admiral Volodymyr Bezkorovaynyy told Interfax-Ukraine.

However, units of the Ukrainian Navy might also be based in the Kazachya, Streletskaya and Karantinnaya bays within the city limits.

On February 20, the Ukrainian president's advisor on regional policies Volodymyr Hrynyov told the Sevastopol public that "the Ukrainian fleet will be based in Balaklava."

Bezkorovaynyy also said that the city's Sevastopolskaya and Yuzhnaya bays are to be leased out to the Russian Navy.

"The problems of basing the Russian Navy in other places are likely to be solved by concluding lease agreements," he said.

During the talks between a Ukrainian and Russian governmental delegations in Kiev in the middle of February, a declaration on the principles of dividing the Black Sea Fleet was prepared for signing.

The document is expected to be signed during President Yeltsin's visit to Kiev. The date of the visit has not been fixed yet.

Economic Issues

IMF Team Deems Government Steps 'Contradictory'

WS2202114395 Lvov INFOBANK in English 0815 GMT 22 Feb 95

[From the "News Service" feature]

[FBIS Transcribed Text] In the morning of February 21, a meeting regarding the estimation of the Ukrainian national budget for 1995 in which First Deputy Prime Minister Viktor Pynzenyk, and head of the IMF mission to Ukraine Peter Hole took part, finished its work. On the same day, the IMF delegation departed for Washington, after providing its suggestions regarding the draft Ukrainian national budget for 1995. Alexander Sundakov, the IMF resident representative, said that disagreements of the parties were only minor.

According to confidential information provided to INFOBANK, the IMF experts believe that one of the most contradictory steps of the Ukrainian government is the very slow transition to a system of subsidy-free payments for housing and communal services. It was expected that in February consumers would pay 40 percent of the actual value of housing and communal services, and by the end of this year the government would cease providing subsidies from the budget to pay for these services. However, the government decided to establish the consumer price at only 20 percent of the actual value of these services. There are serious doubts that by the end of the year residents will be able to pay the total actual cost. Experts of the IMF consider even more contradictory the decision to issue domestic loan bonds valued in U.S. dollars, while simultaneously opening a currency depository and issuing hard currency certificates [vouchers] by the National Bank of Ukraine. It was expected that domestic loan bonds which were introduced into circulation by the Finance Ministry, would reduce the national budget deficit by 1.5 percent. However, the IMF experts believe that the currency certificates to be issued by the National Bank of Ukraine will compete with domestic loan bonds, and this 1.5 percent reduction of the budget deficit will have to be covered by emission steps. The IMF experts stated that acceleration of privatization and conversion in the manufacturing sector are the most important sources of income in the Ukrainian national budget. Ukrainian Government officials are of a contrary opinion, as Ukraine has not yet received the promised grants to be used for certificate auction centers. For this reason, acceleration of privatization is complicated.

Oleh Nalyvayko, assistant to the first deputy prime minister, is convinced that the parties will agree on the estimate of the draft national budget of Ukraine for 1995. Nalyvayko said that the IMF mission had left Moscow without deciding the issue about standby credit to be given to Russia. If the IMF does not provide Ukraine with this credit, this will result in a negative reaction in the world community since this promised aid to Ukraine was blocked at the time when Ukraine made its first steps in economic reform.

$1.3 Billion Loan Discussed With IMF Team

WS2202110095 Lvov INFOBANK in English 0815 GMT 22 Feb 95

[From the "News Service" feature]

[FBIS Transcribed Text] The summary meeting of representatives of the Ukrainian Government and experts of the IMF for evaluating the draft state budget of Ukraine for 1995 (which foresees a deficit of five percent of GNP) began at 1800 on February 20. Viktor Pynzenyk, first deputy prime minister of Ukraine; Peter Hole, the manager of the IMF mission; and senior figures of the Ministry of Finance, the Ministry of the Economy, and the National Bank of Ukraine took part in that meeting. As has been reported by INFOBANK, the positive evaluation of the state budget of Ukraine (with a deficit of five percent of GNP) will be a factor in the decision of the Executive Board of the IMF to grant Ukraine standby credit in the amount of approximately $1.3 billion. This standby credit will be used for covering the balance of payments deficit of Ukraine in trade with other countries.

The delegation of the Japanese Export-Import Bank in Ukraine is presently working and studying the possibilities of granting Ukraine a credit in the amount of $300 million. According to Mykhaylo Zinchuk, an expert of the Ministry of the Economy, the granting by the IMF of the standby credit line will have a decisive influence on the decision of the Japanese bank, because the Japanese credit line will become auxiliary to the loan provided by the IMF. In a talk with an INFOBANK correspondent, Alex Sundakov, the deputy of the permanent representative of the IMF in Ukraine, said that the credit lines of the IMF are not enough to cover the balance of payments deficit of Ukraine. In addition to the credit of the IMF, Ukraine needs a further $900 million. Besides the one already mentioned by Japan, the European Community ($300 million), the United States, Canada, Germany, and Australia also expressed readiness to grant Ukraine lines of credit.

Engine Makers Boost Cooperation With Russia

MK2102141095 Moscow KOMMERSANT-DAILY in Russian 21 Feb 95 p 9

[Report by Viktor Zubanyuk: "'International Engines' Financial-Industrial Group To Be Set Up. Russia, Ukraine Have Caught Birds in the Bush"]

[FBIS Translated Text] The Ukrainian Engineering, Military-Industrial Sector, and Conversion Ministry and the Russian Federation State Committee on the Defense Industry signed the Ukrainian-Russian agreement "On Material and Machinery Supply for Production Manufacturing" and initialed the agreement on setting up a financial-industrial group named "International Engines" in Kiev on 18 February. The documents were signed by Engineering Minister Viktor Petrov and State Defense Industries Committee Viktor Glukhikh. It was not the signatures that made for the documents' importance, however—from now on Russia and Ukraine will embark on a new stage of joint airspace activity.

The event was preceded by two days of talks between the two countries' delegations, and also the Russian negotiators' visit to the Antonov Aviation Scientific-Technical Complex and the "Motor-Sich" production association. In addition, Valeriy Shmarov, Ukraine first deputy premier and defense minister, met with the negotiators on the eve of the talks. Viktor Glukhikh said at a news conference after the documents were signed: "300 Ukrainian and 500 Russian enterprises manufacturing defense production have solid ties that would make no sense breaking. We needed to resolve a number of customs and other problems, and we did it, so cooperation between the defense sectors of the two countries will go on."

As for the prospects of further airspace cooperation, Russia continues to set its sights on the Dnepropetrovsk-based "Progress" design bureau, which specializes in space technology developments. Ukraine, for its part, is interested in cooperating with Russia in this area because this will secure it tens of thousands of jobs for a long time. What is more, Ukraine will have an opportunity to carry out its own space projects from the Baykonur space center, which Russia has leased for 10 years. During the recent Ukraine visit by a Russian delegation under First Deputy Prime Minister Oleg Soskovets, the Russian and Ukrainian sides signed a protocol of intention which calls for an interstate agreement to be concluded on the use of the Baykonur space center by Ukraine to launch its space rockets. By some accounts, this matter was also discussed during the talks between the two sides attended by Defense Minister Valeriy Shmarov on 17-18 February. The talks' agenda also included the coordination of efforts for the joint assimilation of the international arms market. According to Viktor Petrov and Viktor Glukhikh, earlier the Russian Defense Ministry made a number of mistakes as it was rushing to consolidate its position on this market. Now these mistakes will serve as a lesson, while Russian-Ukrainian cooperation in this area will enable the two countries to do much better on the world arms market.

Cooperation will also be enhanced by the creation of the Ukrainian-Russian "International Engines" financial-industrial group, which will include 50 enterprises representing both sides. Viktor Petrov and Viktor Glukhikh pointed out that Ukraine and Russia would continue cooperating in the development of the An-70 military transport aircraft. In their words, the An-70 is still seen as the most promising military transport aircraft, while the crash of an experimental model (see the 14 February KOMMERSANT-DAILY) had nothing to do with its drawbacks. Messrs. Petrov and Glukhikh stressed that all the requisite efforts will be taken so that the quantity production of this aircraft will start on schedule.

The "International Engines" financial-industrial group will include about 50 Russian and Ukrainian enterprises. The group of Ukrainian enterprises will be headed by the Zaporozhye-based "Motor-Sich" plant, one of the CIS's largest engine manufacturers. According to the Ukrainian Engineering, Military-Industrial Sector, and Conversion Ministry, currently "Motor-Sich" exports up to 90 percent of its production to Russia, which, in turn, supplies nearly 85 percent of requisite components. As for the Russian side, the backbone of "International Engines" will be made up of aircraft building plants in Ufa and Stupino. The financial-industrial group will develop and manufacture engines for An-70's, and also for the Tu-334 Russian passenger aircraft, which is due to replace Tu-134's currently in service with CIS airlines. Work is also under way to improve engines for the An-72 and An-74 aircraft. In addition, the production of D-436 engines for the Yak-42M passenger aircraft and its modifications is also a possibility.

According to available information, the "Perm Engines" joint-stock company's accession to the "International Engines" financial-industrial group has not yet been considered. Nor have specific conditions of setting up the financial-industrial group been made public.

Bank Head on Budget, Currency, Food Auctions

WS2102153095 Kiev UKRAYINA MOLODA in Ukrainian 3 Feb 95 p 3

[Article by NBU Chairman Viktor Yushchenko, "recorded" by Dmytro Lykhoviy; place and date not given: "One Does Not Stop Galloping Horses, But One Can Stop a Galloping Budget Deficit"]

[FBIS Translated Text] It might have been for the National Bank's renovation and remodeling or for some other reason, but the fine details of Ukraine's national banking system were conveyed to our readers seldom and in small doses. Now, when the National Bank is "boiling" and bringing forward super-interesting subjects (including the problem of further inflationary development and budget, the ban on hard-currency transactions as of 18 February, the printing of privatization vouchers, the first session of the agrarian products exchange, and others) UKRAYINA MOLODA is "turning on its microphone" before its old acquaintance—the state's chief banker, Viktor Yushchenko. The revelations revealed by the Ukrainian National Bank [NBU] chairman during his recent meeting with reporters are worth reading, believe us.

Inflation in the first quarter is expected at the level stipulated by the government's memorandum. As for increasing certain wages on 1 February—I have said already that one does not stop galloping horses. We accept inflationary policy in the first quarter. This is connected with the liberalization of payments for gas, transportation, and municipal services. The rate of increases in wholesale and retail prices in the first quarter will be determined by the government. Within the framework of this process (and using the support of hard-currency and gold markets) we will carry out a planned moderate emission which will be traditional and controlled.

Discussions about the 1995 budget are currently being held. In particular, much is being said about the possibility of achieving a 5 percent budget deficit. I do not simply believe in that—I whisper and scream about it; I beg for it. This is not an issue under discussion. We can only discuss the fact that it is impossible to have a 5 percent budget deficit on the kind of legislative basis we have. To achieve that 5 percent, we would have to introduce some 40 amendments to the existing laws and resolutions. Meanwhile, we cannot afford a higher deficit. If someone is planning a deficit of 10 percent, they should abandon hopes about monetary reform, for given such inflation rates the national currency which we are planning to introduce will not function. As for budget proposals, the NBU mostly suggests ways to rationalize expenditures, brings forward the issue of replacing monetary emissions with the emissions of hard-copy and soft-copy securities, and so on.

I am sure that the ban on the circulation of hard currency as of 18 February will become a result of the final liberalization of the hard currency market. One can feel too much awe in discussions about 18 February. However, what is 18 February from the perspective of banning the circulation of parallel currencies? We have 1,400 structures which carry out hard currency operations, sell products, or render services for hard currency. When we speak about 18 February, we should speak about those 1,400 structures.

Meanwhile, the existing structure of the hard currency market will be preserved. Only hard currency payments will be banned. Nothing is going to change in the regime of the circulation of dollars, German marks, or other currencies in people's pockets. Just as in the United States, Russia, Belarus, or Germany people will have the right to possess any kind of currency, however their circulation—as elsewhere in the civilized world—will only reach as far as exchange outlets. Nobody will force anybody to get rid of those currencies or keep their savings in karbovantsi—one can keep his wealth in any money they want. The point is that agents operating on the Ukrainian market are legal persons and must work in the regime of legal tenders. This is an absolutely correct demand and I have no grounds to believe that the 18 February operation will be abortive.

I do not cherish the hope that 100 percent of all payments will be executed in accordance with the new model. Of course, in duty-free shops and companies that use magnetic bank-teller cards, a normal compromise will be accepted, just as everywhere else in the world.

Rumors are currently being spread about the freezing of hard currency accounts of economic entities in connection with the 18 February action. Allegedly, commercial structures are to be prohibited from using their hard currency accounts for several months. This is an illogical and unsubstantiated fabrication. You should understand that the assets of our clients, which are deposited in commercial bank accounts, are entered on the books of other banks as assets financing appropriate credit mechanisms, deposits, and so on. How can we now announce a moratorium on hard currency assets of Ukraine's commercial banks? How would we deal with hard currency credits then? The remainder of assets is entered on correspondent accounts, while liabilities are already operating somewhere—in new technologies, commercial operations, at the commodity exchange, and the like. The idea to freeze the deposits, force the clients to exchange them into coupons [substitute money], and finance sowing with the hard currency is an invention of some sick mind.

You have information to the effect that our banknote factory has lost the competition for the right to print privatization vouchers. Yet I believe that we have not totally lost. I believe in the sober forces in our state that are capable of making a different decision. The point is that there has been no competition. Had there been one, we would have definitely won. Given that there had been no competition, a biased decision was made.

You see, securities of two different quality standards have been offered. These kinds of documents have three protection levels, the first being the special banknote paper. If vouchers are to be printed on the same paper as my reports.... I would like to tell those people who make those decisions: You will be held responsible as early as a month from now, when photocopies of privatization vouchers have flooded the securities market. I am a painter, and I would be able to produce such a voucher in a couple of minutes having just six pencils. With a copier and some retouching, surrogates may appear on the securities market; thousands of people may be deceived. That is why we suggest holding an official competition, and we have already submitted a second package of samples with our protective systems. We have sent a report to the president and demanded that the NBU's proposal receive an objective discussion. I believe we will eventually win.

The wholesale auction of agrarian products held last Friday demonstrated the potential which had remained untapped and had been considered a utopia, while the exchange had been regarded a fruitless idea. Agrarian producers offered 15 trillion karbovantsi [K] worth of products—one third of what is needed until the end of April to eliminate the problem of financial support for spring sowing. The buyers had $45 million—a lot more than was needed to buy the products offered. About K170 billion worth of products were sold. The NBU has drawn the following conclusions: First, we have a potentially large agrarian market where farmers may become powerful sellers. Second, we have potential buyers.

Buyers who were not aware of prices on the national market attended the auction, given that indeed, we never had an institution able to determine the current price for, say, wheat. We have retail, wholesale, purchasing, and indicative prices, which testifies solely to the fact that there is no free-market price. The first goal of the auction was to determine the products' actual price. We faced certain difficulties with this regard, given that the brokers representing the sellers had entered the market without rights, and perhaps, without major obligations. Meanwhile, brokers must have leeway and instructions from sellers on how to behave in light of various situations on the market. During the first exchange, we resorted to a diversification of warehouses—there were some 140 or 150 officially designated ones.

We are going to inform buyers about the addendum to the regulations on holding auctions. Aside from brokers, we will also invite agrarian producers who will fix prices for their products. Incidentally, sugar at the Friday auction was not sold by a broker; it was sold by a kolkhoz manager who said to a broker: "Go ahead, sell it. This price suits me." Thus, we want to expand the number of auction participants.

The third conclusion is: The amounts of traded sugar and grain are not the main thing. We have laid a groundwork and the Saturday auction will start with a grain price of K12.75 million per tonne instead of K15 million. We want to thoroughly prepare buyers, provide more clear definitions of "port" and "auction" warehouses, "certified quality," "greater wholesale purchase," and of course, we want to expand our limits. We are now talking about creating, for instance, the Ukrainian grain exchange with its own grain reserve and a system of port warehouses.

The most pleasant thing, though, is the fact that we have acquired invaluable experience and saw that auctions should be conducted by the people interested in the results, that brokers must sweat, buried knee-deep in papers, however uphold their interests. We saw that both sellers and buyers were interested in finalizing trade operations and did not fix unbelievable prices. I believe this is just a question of time and the Saturday auction is going to be much more efficient. Agrarians will not allow the state to buy grain at $45 per tonne, as happened last year. Prices will amount to some 90 percent of the actual ones.

The situation on the hard currency market has remained relatively stable over the last three to four weeks. We have managed to preserve a relative stability of major currencies, and this became a good basic motivation for foreign economic relations. The recent currency exchange trading session insignificantly changed (by about 4 percent) the price of the U.S. dollar, which reached K117,200 per dollar. According to our estimates, this is a normal reduction in the exchange rate. The 4 percent devaluation did not occur because of the lack of control over the national monetary mass. It occurred because of a change of supply in the hard currency market. The NBU's conclusions are as follows: This is a symptom of the fact that the trend for barter deals on the foreign markets has become stronger in the first quarter of 1995. As of today, 85 percent of contracts executed in the first quarter are barter deals. No doubt, if economic relations continue to develop according to that scenario, the hard currency market will change and the devaluation problem will exacerbate. To prevent that, the NBU and the Ministry of External Economic Relations have drawn up a draft edict which will in essence remove the issue of the growing number of unprofitable barter operations for Ukraine. The edict will regulate those economic problems which encourage barter. We will have this document by the end of February.

Along with planning a whole number of innovations, the NBU is working on a project which will be implemented beginning on 1 March, when the NBU's hard currency depositary will be established. There are plans to include cash currency in the NBU's bank deposits abroad [avuary]. Moreover, the NBU will provide the highest-quality guarantees and their insurance, thus starting active operation on the alternative market of cash hard currency operations. I am absolutely sure that this undertaking will be a success, given that the NBU will enjoy trust (especially of individual clients) regarding the entering of money on its financial balance. Those operations will not be of a commercial nature, which will facilitate their liquidity and give our citizens the chance to deposit their money in the NBU on the same terms as in commercial banks.

We can also mention hard currency vouchers and hard currency securities emissions by the NBU. Acting through authorized commercial banks, we could offer such securities on the cash hard currency market on terms regulated by a separate enactment. Due to that we will be able to fill the market with the national currency and retain its high exchange rate. We will also be able to offer a new range of services, not quite typical for the NBU.

Plant To Resume Production of Enriched Uranium

WS2202102795 Lvov INFOBANK in English 0815 GMT 22 Feb 95

[From the "News Service" feature]

[FBIS Transcribed Text] As reported by Yuriy Korovin, director of the Dniprodzerzhynsk Prydniprovskyy Chemical Plant, the enterprise will soon resume production of enriched uranium from raw materials of the Zhovti Vody uranium mine (Dnipropetrovsk Oblast). The production of this enriched uranium had been stopped before. Now the plant, with thin-division and rare-earth elements mining technologies, produces illuminated screen covers for color television sets and ion-exchanged resin for mining gold and other minerals.

Environment 'Normal' Around Neteshyn Nuclear Plant

WS2202113995 Kiev UKRINFORM in English 0820 GMT 22 Feb 95

[From the "Current Events" feature]

[FBIS Transcribed Text] As UKRINFORM's correspondent in Neteshyn (Khmelnytskyy Oblast) reported on Tuesday, February 21, the local nuclear power plant's information center had circulated a press release which appraises the overall environmental situation on the plant's site, as well as within the 30-kilometer safety belt around it, as normal. According to the press release, the nuclear power plant's aggregate atmospheric pollution amounted to 387.5 tonnes in 1994, which was slightly over a third of the aggregate amount of harmful atmospheric emissions in 1993. The drastic reduction was reportedly achieved through application of optimized technologies for burning [residual] fuel oil. The plant's reserve boiler consumed 6,155 tonnes of fuel oil in 1994. Water mineralization rates for the plant's cooling basin averaged 343.5 mg/l [milligrams/liter] in 1994 versus the nearby Horyn river's 391.0 mg/l. No figures of the plant site's background radiation levels were stated in the press release.

Search for Funds To Reform Coal Mining Viewed

WS2202074595 Kiev UKRAYINA MOLODA in Ukrainian 7 Feb 95 p 7

[Report by Oleh Olenyuk: "Ukrainian Tanks Smell of Bucks, and Even of Turkmen Gas"]

[FBIS Translated Text] The budget war—and this is the proper way to depict relations between the Cabinet of Ministers' leadership and the Supreme Council—has reached the limit beyond which there lies either the dissolution of the legislature or a vote of no confidence in the government. The "slight" cut made by the cabinet on 21 January made the ministers take a different stance toward the financing of industries. The sectorial ministers may understand later the consequences of the "new approach," yet in the meantime Vasyl Hureyev, deputy minister of economy for basic industries, suggested his own mechanism to overcome the crisis in the coal mining industry. It is clear that this can only be obtained at the expense of others. Instead of the 100 trillion karbovantsi [K] requested by the coal industry, the budget only earmarks K50 trillion. Meanwhile, no less than K100 trillion is currently needed to open new mines and carry out the "Coal" and "Fuel" projects. According to Hureyev, K60 trillion is needed to close down unprofitable mines, while putting in operation new mining faces in the existing mines would consume another K8 to K9 trillion.

It is understood that under such conditions, it is vain to anticipate the industry's normal development or an increase in production. Both Vasyl Hureyev and Viktor Poltavets, head of the Ministry of Coal Industry, understand that. However, they still hope that power engineers and metallurgists will find sources to finance the [coal mining] industry. In particular, Hureyev suggests introducing an excise tax on light [svitli] oil products amounting to 10-15 percent of the price, and on metallurgical products amounting to 5 percent of the price. It is easy to foresee how this would affect consumers of gasoline or diesel fuel. The agricultural sector, as well as a number of affiliated industries, again, would be among those cheated. Beyond any doubt, the aforementioned act would find its repercussions in the Supreme Council and in all probability would result in the blocking of the current draft budget.

To prevent this kind of outcome, the Ministry of Coal Mining has suggested its own package of resolutions, hopeful that due to taxes on gasoline, diesel fuel, and metal constructions it would manage to collect K135 trillion. However, excise tax on metal will bring the prices higher than world levels and will pose the problem of sales (given the current price, every dollar invested in metallurgy yields an 18-cent profit over a year), and, naturally, will ban access to the world market. Meanwhile, the metallurgical industry needs investment, too. As of today, seven out of 14 Ukrainian metallurgical combines have the status of permanent beggars. If the leading enterprises are not supported, the entire industry will face collapse by July. Data on the financial needs of metallurgy offer compelling evidence: While the industry needed K3 trillion in capital investment a month ago, that sum has currently reached K60 trillion. Further lingering with the resolution can only produce one thing—destruction. However, the Cabinet's components have, so far, turned a deaf ear toward the financing of metallurgy.

As for the reconstruction of the coal mining industry, everything is more or less clear: Some 38 mines will soon be closed down because of their unprofitability (employing 50,000 people they produce as little as 4.7 million tonnes of coal). Still, funds will be allocated to develop the promising mining faces and put new mines into operation, while the yearly production figure will probably reach the level of 100 million tonnes. It should be admitted that the probability of importing coal will remain, however Ukraine will not be able to receive more than 20 million tonnes of coal, given the low carrying capacity of Ukrainian railroads. Incidentally, Ukraine's plan for socioeconomic development in 1995 stipulates the import of 10 million tonnes of coal from Russia and another 10 million tonnes from Poland. However later, emphasis was put on domestic resources and the possibility to step up domestic production. At present, there are plans to use the amassed K135 trillion as targeted funds to put in operation new mining faces and build new mines.

However, the Supreme Council and its speaker have a reserve plan stipulating the use of funds accumulated at the initiative of the Ministry of Coal Mining and the Ministry of Economy. In particular, the deputies are planning to use them to preserve the bankrupt system of subsidies. The system has a double mechanism—on the one hand, it supports producers (the coal industry), and on the other hand, it supports consumers (metallurgy). Thus, there can be no modernization of the industry of which to speak, and the already planned closing of 38 mines will be postponed as long as the managers' lobby retains its influence at all levels of state policy. Fortunately, somewhat different opinions prevail in the Cabinet of Ministers. That is why in 1995, Ukraine's consumption will most probably be limited to 100 million tonnes of domestic coal accompanied by a Hureyev-type stabilization program; some 28 million tonnes of oil purchased in Russia (the agreement so far, embraces one-third of the envisioned amount), and 90 billion cubic meters of gas (56 billion purchased from Russia, 15.5 billion purchased from Turkmenistan, and 18.5 produced locally).

In their turn, the funds for securing critical imports of power resources are to be provided by two sources—credits issued by the IMF and the World Bank on the one hand, and funds acquired from sales of domestic products—including military products—on the other hand. The military-industrial complex currently comprises three promising industries—the aircraft industry, shipbuilding, and the production of tanks. However, all three have encountered a whole range of obstacles, most of them of an artificial nature. Thus, the aircraft industry is excessively dependent on Russian and Uzbek suppliers, as well as certificates from "mother Moscow" which is not interested in having a rival sitting to the southwest of its territory. Shipbuilding is all but completely devoid of large-scale contracts and state support, while the production of tanks is virtually gasping its last breath because of the absence of orders and markets. In the old days, exports of arms were maintained solely through Moscow and naturally, after the disintegration of the USSR, the military-industrial structures remained in Russia, and so did the channels for selling arms. However recently, Ukraine found itself in a somewhat more favorable situation. Boris Yeltsin's Chechen adventure, along with the political failure of the Russian president, demonstrated to the world the poor quality of Russian weapons, including tanks. Viewed from that perspective, the Kuwaiti order for the repair of 200 Yugoslav-made M-84 tanks at the Kharkov Malyshev plant seems to be a political move aimed at opposing the military-industrial complex of Ukraine to the corresponding Russian sector. The effect of that move was immediate. The Ukrainian legislative speaker promptly weighed all the pros and cons and probably understood that the deal smells of "bucks." Speaking in Kharkov a week ago, Oleksandr Moroz declared state support for the production of T-80 UD tanks. The next move will be to enter the Near East arms market.

However, the legislature's sentiments do not quite coincide with the stance of the speaker. Without going into greater detail, the deputies are ready to reduce the financing of Ukraine's Armed Forces from the K350 trillion requested by [Defense Minister] Shmarov to K92 billion; and to reduce the financing of the military-industrial complex from K58 trillion to K35 trillion. Again, the following opinion becomes dominant [in the legislature]: "For what do we need the Army and the military-industrial complex?" As a rule, the people's deputies do not count money; neither are they going to think about profits.

Crimea Hard Currency Spent on Militia, Health Care

LD2202103095 Kiev Radio Ukraine World Service in Ukrainian 0800 GMT 22 Feb 95

[FBIS Translated Text] At a meeting with the leadership of Crimea's power structures, Crimean Prime Minister Anatoliy Franchuk said that, henceforth, hard currency resources of the autonomous republic will only be spent on the militia and health care establishments. As the government press service reported, this meeting was dedicated to the issues of interaction between the law enforcement bodies in safeguarding the preservation of fuel and lubricants in the period of the present sowing campaign. Representatives of the directorate of Ukraine's Ministry of Internal Affairs, and Ukraine's Security Service in Crimea, and the autonomous republic's prosecutors office took part in the meeting.

Belarus

Reportage on Yeltsin, High Level Delegation Visit

Bolshakov, Myasnikovich News Conference

LD2102201695 Minsk Radio Minsk Network in Belarusian 1540 GMT 21 Feb 95

[News conference by Russian Deputy Prime Minister Aleksey Bolshakov and Belarusian Deputy Prime Minister Mikhail Myasnikovich with foreign and domestic correspondents in Minsk—live]

[FBIS Translated Excerpt] [Announcer] The Russian President Boris Yeltsin arrived today in the Republic of Belarus on an official visit. The ceremony of signing the treaty on friendship, good neighborly relations, and cooperation between the Republic of Belarus and the Russian Federation has just taken place at the residence in Vayskovy Lane in Minsk. Our radio station's microphones are now installed at the National Press Center where a news conference on the visit to our republic of the Russian president is under way. [passage omitted including indistinct portion]

[Myasnikovich] The question that has just been asked was in fact one of the few issues that were discussed tete-a-tete between the president and later during the meeting between the official delegations. I must say that Boris Nikolayevich Yeltsin, the president of the Russian Federation expressed unambiguously the position of the Russian leadership, i.e. that relevant assistance will be provided for liquidation of the consequences of the Chernobyl catastrophe. There was an unambiguous agreement that all the resources allocated for 1994 will be confirmed in this year's agreements as well as the issues regarding the freeing of the previously frozen hard currency means especially what concerns construction in Gomel Oblast, a special hospital for treating patients in that region. Thus, Boris Nikolayevich has accepted both the letter and the proposal of the Belarusians on this issue.

[Correspondent [name indistinct] Please tell us which documents have been signed besides the main treaty and if you can, please, explain them briefly.

[Myasnikovich] A whole package of agreements have been signed. First of all, the treaty on friendship, good neighborly relations between the Republic of Belarus and the Russian Federation, as well as a package of agreements that concern practical implementation of our bilateral agreements that were signed on 6 January 1995 in Minsk. These are an agreement on principles of control over customs services, border guard services, issues connected with scientific, technical, and cultural cooperation, and also two agreements have been signed by our defense ministers. Thus there are eight documents altogether.

[Dmitriy Malinowskiy, RESPUBLIKA newspaper] Could you clarify the current situation regarding energy carriers after today's large-scale meeting? Thank you.

[Myasnikovich] I understand the question is for me? As for the question of energy carriers, we are totally satisfied with those decisions that were signed in January on principles of [illegible] and economic relations. On the Russian side that agreement was signed by those present here, Aleksey Alekseyevich Bolshakov and on our side by Valeryy Ivanavich Kokaraw [deputy chairman of the Cabinet of Ministers of Belarus]. The agreement specified both volumes and principles of pricing. Therefore, in the process of the negotiations it was stressed once more that we are satisfied with the agreements that were signed on trade and economic cooperation for 1995, and that the task of the sides is to secure their unconditional implementation.

[Malinowski] I beg your pardon. I meant the VAT [value added tax], which was introduced in Russia on the oil supplied to the Republic of Belarus.

[Myasnikovich] As for the VAT, it is today effectively initiated by oil producers. I think that Aleksey Alekseyevich will answer this question. However we do not know of such Russian Government documents. It is only possible future negotiations, but we think that there will be no such VAT and we will work within those agreements and prices that were signed in January. [Words indistinct] 10 million tonnes of oil for 1995, out of which 4 million are coming through clearings and, the price is fixed for that, and 6 million are supplied directly. During the negotiations, when views were exchanged we agreed with the Russian side that those prices will have a tendency of levelling out between those for Belarusian consumers and Russian consumers. Naturally, customs duties have been cancelled on mutual trade, including oil.

[Bolshakov] I would like to say a couple of words on this issue. You know that in Russia on 31 December the government signed a resolution on freeing prices on oil products and on cancelling quotas. Therefore the agreements that we signed on 6 January [words indistinct] Belarus was the first country with which we signed a trade and economic agreement, we will of course observe them. The task is unambiguous: Single economic. The task is not a simple one. There will be separate particular issues in the process of implementation of these agreements that we will have to regulate. [passage omitted]

[Bolshakov] I want to note with a great deal of satisfaction that when we were preparing with the Belarusian side a package of agreements that were signed here on 6 January, we proceeded from a global solution of the problem—removal of customs barriers that today exist physically between Belarus and Russia: In Pskov, Smolensk, and Bryansk Oblasts, and neighboring Belarusian oblasts. We have made the first step, we today abolished the duty on goods that move between Belarus and Russia. But after all the main task [words indistinct] agreement up to four months to implement and to adopt necessary interim decisions in order to remove physical borders. We need not just to ensure normal trade turnover, which should exist between Russia and Belarus, but you are absolutely right, we need it for normal human and cultural links, which [word indistinct] solve problems.

[Unidentified correspondent, Baltic News Service] Could you enlarge on the agreements concerning cooperation between the customs and border services and specifically whether Russian border guards will take part in guarding the Belarusian borders?

[Bolshakov] You know that in order to create a single economic space, regardless of between which parties, whether it is Russia and Belarus who take such a decision or two or three other countries, they must be confident both in the protection of the borders and in creation of a single customs union. Therefore, today, two decisions were signed at presidential level, i.e. on the joint work of our customs and border guard services. As far as I am familiar with the documents concerning border guarding, Russian border guards do not plan to carry out any direct service on the border, for example between Belarus and Poland. There are no provisions like that. Of course, the agreement envisages a system of mutual control. [passage omitted]

[Myasnikovich] I would like to add that such a question was really discussed by the presidents. As Aleksey Alekseyevich said, the need was stressed for large regional projects. We have coordinated the issues concerning [words indistinct] gas pipeline and the volume of consumed gas for the economy of the Republic of Belarus. However there are problems. [passage indistinct]

[Unidentified correspondent, (?French radio]) When the U.S. President Bill Clinton and the Polish President Lech Walesa visited Belarus they met [words indistinct] Mr. Paznyak [head of the Belarusian Popular Front and of parliamentary opposition] Why didn't the Russian president meet him, was there no desire on his part, or the Belarusian part?

[Myasnikovich] First of all, it is up to the president. It is difficult for us to [word indistinct]. However, as far as I know, there was no desire on the opposition's part, for example, to meet Boris Nikolayevich. As for the statement by a group of people's deputies belonging to the opposition of the Belarusian Popular Front, they made a statement in today's NARODNAYA GAZETA and put forward several issues. Those issues were considered during [words indistinct]: On the historic legacy and the frozen hard currency accounts. By the way, the people's deputies put forward a request that the means of citizens whose accounts in the ex-USSR External Economic Bank were frozen should be transferred to accounts in Belarus. I responsibly state that those means have already been transferred to [words indistinct]. Therefore, $8.5 million is now in the Belarusian External Economic Bank and owners of those accounts can receive those means.

[Unidentified correspondent, Radio Mayak] I have a question for A.A. Bolshakov, not just in his capacity as Russian deputy prime minister but also as the chairman of the collegium of the Interstate Economic Committee. Aleksey Alekseyevich, did you feel some special attention to what happened today in Minsk on the part of other CIS countries? Could you forecast the reaction of the Commonwealth to today's agreement? [passage omitted]

[Bolshakov] The reaction is positive. There is no particular jealousy. I think that the experience, which we will be able to implement within the bilateral, and now already three-sided, customs union will be useful for the whole Commonwealth. [passage omitted]

[Unidentified correspondent, RESPUBLIKA] Can you please tell us whether the issue of creating financial and industrial groups was discussed during the negotiations. How do you see the future of such financial and industrial groups?

[Myasnikovich] This issue was in fact discussed. It is of interest for both the Russian Federation and the Republic of Belarus. For your information I will say that a framework agreement on principles of creating financial and industrial groups was signed on 6 January. We have no problems in relation to the Russian Federation. We need practical implementation of that agreement. There is a lot of work involved. The first stage is already over. Together with our industrialists we have shortlisted over 10 projects. This issue has been coordinated with Russian enterprises and I think they will be put to practice this year already. As for, for example, the financial and industrial group, like (?Plusnet), it is already a functioning corporation. Chemical enterprises are now at the registration stage, especially, on the Belarusian side, concerning Novopolotsk and Mogilev [word indistinct] industrial enterprises and the Grodno amalgamation "Azot." Therefore I think that everything will be implemented successfully and Boris Nikolayevich Yeltsin, as I am pleased to tell you, has especially stressed the need for accelerating the process of the creation of financial and industrial groups, floating enterprises on the stock exchange in order to put interest in receiving profit, creating jobs, effective use of capacities, and providing a full work load in the basis of activities.

[Unidentified mediator of the news conference] Thank you, the time allocated for the news conference is over. Thank you for your work, goodbye.

Yeltsin Program Changed

LD2102171195 Moscow ITAR-TASS in English 1640 GMT 21 Feb 95

[By BELINFORM correspondent for TASS]

[FBIS Transcribed Text] Minsk February 21 TASS—The program of Boris Yeltsin's Belarusian visit has been slightly changed.

He will meet Executive Secretary of the Commonwealth of Independent States Ivan Korotchenya early on

Wednesday morning at the Zaslavl-1 residence to discuss acute protects [as received] of Commonwealth economic integration.

Press Briefing on Talks

LD2102175695 Moscow Mayak Radio Network in Russian 1646 GMT 21 Feb 95

[FBIS Translated Excerpt] And now Mayak's Panorama program links up live with Minsk—I hope that this time communications will not fail us. The Panorama presenter and our Minsk correspondent, Petr Mokritskiy:

[Mokritskiy] [Passage omitted] Immediately following the signing of a treaty on friendship and cooperation and some other documents, Presidents Boris Yeltsin and Alyaksandr Lukashenka met with correspondents. A spontaneous news conference took place. Both highly appraised the steps taken toward the integration and rapprochement of the two states. I am not going to comment on their words, rather let us listen to a recording which has undergone very little editing, it is all fresh, as it were. Let us listen to Boris Yeltsin and Alyaksandr Lukashenka.

[Begin recording] [Yeltsin] First of all, I would like to express my sincere gratitude to those residents of Minsk who came out onto the street smiling and cheering. This shows that we have a very ancient common and long history, and in general our relations are such that we have never quarreled. This is the first thing. However, the most important thing is that this has served as a foundation for signing a treaty on deeper integration. Of all the CIS republics, Belarus has become the first in this respect. It is entitled to this to a greater degree thanks to its history, its geography, the contacts and friendship with Russia, and the advance it has made in terms of reforms. Today we are signing not only this treaty and three accords, but, in addition to the president and myself, ministers and members of government are also signing another 10 accords.

For as long as the CIS has existed we have not been able to find a solution to the problem of protecting the external border of Belarus, that is, the external border of the CIS. But it is Russia's border, too, no argument about that! And it is only now, thanks to his attitude and to the personal leadership of Belarus' President Alyaksandr Rygoravich, that our attitude toward this is a very positive one.

We have got a good treaty, providing as it were for the joint, coordinated protection of this whole border. The treaty protects the border of Belarus, it protects the border of the CIS, and it protects the border of Russia. At the same time, no one is a loser, everybody gains—them and us alike.

[Lukashenka] All that remains to be done is to thank my Russian colleague, Boris Nikolayevich, for the fact that Belarus is indeed a priority for Russia within the CIS framework. Our peoples deserve that. This is not a personal triumph for us, the presidents—the peoples deserve that. We are simply obliged to live in this way and to have our relations.

As for your question as to what is new, I must tell you—and the president has just been talking about this—that we have started tackling specifics with regard to the implementation of the outline agreements we signed earlier, agreements which, well, other states, including those within the CIS, simply could not even dream about.

Here we have come up against specific issues of military and technical cooperation, border issues, customs issues, right up to and including the implemenation of joint enterprises, joint industrial groups, and so on and so forth. That is to say, the agreements concluded today are very specific from the viewpoint of the performance of our economies.

It has to be stated outright—and recently I spoke of this—that the Cabinet of Ministers, without waiting for individual agreements to be ratified, without waiting for today's talks, did implement the entire package of agreements signed earlier. The Russian Federation Government did likewise. That is to say, we are already working along these lines, and today all the i's have been dotted. [end recording]

Yeltsin Comments on Minsk Talks

LD2102224395 Moscow Russian Television Network in Russian 1700 GMT 21 Feb 95

[From the "Vesti" newscast]

[FBIS Translated Text] President Yeltsin and the officials accompanying him arrived in Minsk today at mid-afternoon. Today is the first day of President Boris Yeltsin's official visit to Belarus.

[Begin recording] [Correspondent V. Skvortsov] Today's meeting in Minsk between the presidents of Russia and Belarus was a logical continuation of the active process of agreements from last year. Alyaksandr Lukashenka declared on more than one or two occasions that comprehensive cooperation with Russia was a priority thrust of his policies.

There is just no other solution. The economic crisis continues to deepen. An indirect consequence of this was an unusual surge in crime in once quiet Belarus. Incidentally, the presence of the border and the weak national currencies suit Belarusian profiteers. Russia accounted for 84 percent of Belarus trade turnover last year. Close integration with Russia and the restoration of the sundered links seem to be the only salvation for both civilian and military industry.

A considerable step in that direction was taken in Minsk today. Apart from an interstate treaty on friendship, goodneighborliness, and cooperation, signed by Yeltsin and Lukashenka, a number of agreements on economic and military cooperation were adopted.

[Lukashenka] We have dotted the i's in all areas. We have concluded a major treaty. We have signed a major customs agreement, a specific one, on the administration of the customs system, and we have signed a model—for others, I mean—treaty on border issues, on cooperation in protecting the state border of the Republic of Belarus and on building up our western border, working together jointly.

[Yeltsin] In all of Russia's foreign policy, foreign policy with the CIS countries is paramount. In the whole of the CIS's foreign policy, foreign policy with the CIS, in the CIS, with Belarus is paramount in the CIS. [sentence as heard]

[Skvortsov] The undoubted success of the Minsk meeting is likely to make Moscow's talks with Kiev easier, where people think of sovereignty more often than the economy. [end recording]

Kozyrev 'Satisfied' With Negotiations

LD2102174795 Moscow ITAR-TASS in English 1728 GMT 21 Feb 95

[By ITAR-TASS special correspondent Andrey Shtorkh]

[FBIS Transcribed Text] Minsk February 21 TASS—"We are very satisfied with results of the Russian-Belarusian negotiations," Russian Foreign Minister Andrey Kozyrev told correspondents here today upon signing of bilateral documents.

"This is the most important arrangement of 1995 for me, since the Minsk visit of the Russian delegation lays down new relations between Russia and Belarus, the two sovereign states. Their state and national interests will be met through close interaction in a broad range of spheres," said the minister.

The bilateral treaty on friendship, goodneighborliness and cooperation signed by Boris Yeltsin and Alyaksandr Lukashenka was described by Andrey Kozyrev as "a major achievement in foreign policies of Russia and Belarus."

Friendship Treaty Signed

LD2102175195 Moscow ITAR-TASS in English 1731 GMT 21 Feb 95

[By BELINFORM-TASS]

[FBIS Transcribed Text] Minsk February 21 TASS—A fundamental treaty on Russian-Belarusian friendship, goodneighborliness and cooperation and agreements on joint efforts to protect the Belarusian state border and joist customs efforts have been signed by the Russian and Belarusian leaders here today.

"The aforesaid documents are extremely important. They are detailed and expected to be efficient. The signing continued major job done by the two sides, the job that will go on," Belarusian leader Alyaksandr Lukashenka told correspondents upon the completion of signing ceremony.

Boris Yeltsin thanked "Minsk residents who welcomed him today as a kind host meets a good guest". He reminded that the two peoples have long and intertwined history. "This was the basis for the bilateral treaty and other documents on deepened integration. From among the Commonwealth states Belarus deserves this most because of its geography, contacts with Russia, friendship and progress of reforms," said Yeltsin.

In his words, Russian and Belarusian ministers and government members have signed more treaties and agreements.

Speaking of the military aspect, Boris Yeltsin highlighted the border issues. "Since the time the Commonwealth was formed we could not settle the problem of protection of the Commonwealth outer border. Today the stand of the Belarusian president and the republican leaders enabled the conclusion of a good treaty. All the borders will be locked and no one will lose in the situation," said Yeltsin.

In the opinion of Lukashenka, the Russian priority attitude to Belarus as a Commonwealth member-state is "deserved by the people. It is not a gain of the presidents. We have specified bilateral relations to a degree other states, even those of the Commonwealth, have never dreamt of."

Asked whether Belarus will lose its sovereignty, Yeltsin said "all Europe is striving to be united. There is plenty of states in the European Union who are independent, sovereign and have their own policy. However, these states are coordinating their actions, and costs of everyone become less." In his turn, Lukashenka cited Russian Foreign Minister Andrey Kozyrev as saying "encroach on Belarusian sovereignty—good God, no. This would not be beneficial for Russia."

Talks 'Model' of Mutual Integration

LD2102202695 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 21 Feb 95

[From the "Vremya" newscast]

[FBIS Translated Excerpt] Russian President Boris Yeltsin started a two-day official visit to Belarus today. [passage omitted]

The Slav brothers are showing other partners in the CIS quite a realistic model of two countries' mutual integration. This is how observers are summing up the final result of today's Russian-Belarusian talks and the signing by Boris Yeltsin and Alyaksandr Lukashenka of a friendship and cooperation treaty between the two countries, and of a whole range of other accords by ministers of these states.

Only militants of the opposition Belarus People's Front have taken a belligerent stand on these strictly peaceful documents since they see this treaty as a notorious threat to Belarus' sovereignty. Analysts believe, however, that the practical consequences of the accords are as beneficial for Belarus as they are for Russia, while the fears that the economic accords will make Belarus dependent on Russia are groundless. [passage omitted]

[Begin Yeltsin recording] How does Europe live? There is the European Union, you know. They all, 16 states, are independent and sovereign, they take decisions on domestic and foreign political matters independently, but taking into account the fact that they are in this union they coordinate all these political matters between themselves, and consequently, each member's expenditure becomes lower. [end recording]

Grachev: 'Early' To Talk About 'Coalition'

LD2102205995 Moscow INTERFAX in English 1934 GMT 21 Feb 95

[FBIS Transcribed Text] MINSK, Feb 21 (Interfax-West)—Russia's Defense Minister Pavel Grachev stated in Minsk on Tuesday [21 February] after the first day of talks with his Belarusian counterpart Anatol Kastenka, that "it's early" yet to talk about Russian-Belarusian "coalition" armed forces. He said that "in principle he is not rejecting this idea, but there is no coordination mechanism so far between the Russian and Belarusian defense ministries."

Pavel Grachev, who is accompanying President Yeltsin during his official visit to Belarus, told Interfax correspondent Boris Grishchenko that two documents were signed on Tuesday between the Russian and Belarusian armed forces: the agreement on the technical maintenance of airfields and the reception of planes, and the agreement on state acceptance of military equipment which implies that Belarusian military-technical experts will be delegated to Russian defense enterprises and Russian experts to Belarusian defense enterprises.

"We shall go further afterwards, taking up questions of training, and material and technical supplies, and then raise the question of coalition forces," said Grachev.

He said that "well-equipped and modern troops are needed to create joint armed forces." "Therefore, the time has not come yet for such a military coalition," he went on to say. "It is early yet to take up such global issues," he added.

He expressed satisfaction that many problems, including the basing of Russian planes on Belarusian airfields, had been solved. He also noted that "we have no disagreements on the removal of our strategic missile forces from Belarus."

He said that "the two early-warning facilities in Baranovichiy and Vileika will be under Russia's jurisdiction" and that there is an agreement on paying the work of the Russian personnel servicing these facilities with due account taken of the economic possibilities of both countries.

Eight Pacts Signed With Yeltsin

WS2202091295 Minsk Radio Minsk Network in Belarusian 0700 GMT 22 Feb 95

[FBIS Translated Text] Today is the second day of Russian President Boris Yeltsin's official visit to the Republic of Belarus. After yesterday's official welcoming ceremony at Minsk-2 airport, President Yeltsin conducted tete-a-tete talks with Alyaksandr Lukashenka. [Words indistinct] the Belarusian-Russian negotiations, after which a treaty on friendship, good-neighborly relations, and cooperation between the Republic of Belarus and the Russian Federation, and a variety of other agreements were signed. All in all, eight documents were signed yesterday.

Boris Yeltsin will today meet with the leadership of the CIS Executive Secretary, will visit the Minsk automobile factory and the Academy of Sciences, and plans to meet with representatives of the scientific and creative intelligentsia.

Yeltsin on Protecting CIS Border

LD2202094095 Moscow ITAR-TASS in English 0903 GMT 22 Feb 95

[FBIS Transcribed Text] Minsk February 22 BELINFORM-TASS—Russian President Boris Yeltsin's second day in Belarus opened today with a meeting with CIS Executive Secretary Ivan Korotchenya for talks on implementing decisions made at the recent CIS summit in Almaty. The summit elected Yeltsin for a second term as chairman of the CIS Council of the Heads of State.

Yeltsin's schedule was very busy on Tuesday [21 February]. He held talks with President Alyaksandr Lukashenka of Belarus and signed the treaty of friendship, good-neighbourliness and cooperation, as well as two other agreements - on joint protection of the Belarus state border and on joint efforts in upgrading customs services.

After the signing, the Russian president recalled that the two nations shared a common historical experience over many centuries. "This created the basis for singing the treaty and other documents on deeper integration of our two countries. Among all CIS countries, Belarus has the most tights to such a relationship due to its geographical location, its contacts with Russia, our friendship and the progress of its reforms", the Russian president said. [as received]

As concerns the military aspect, Boris Yeltsin singled out border questions. He noted that "throughout the years of existence of the Commonwealth of Independent States we were unable to find a solution to the problem of protecting the Commonwealth's external border. Only this time, we managed to sign a good agreement thanks to the attitude of the president of Belarus and the leadership of the republic. All borders will be well locked and at the same time no one stands to lose anything".

Asked if Belarus was likely to lose its sovereignty as a result of rapprochement with Russia, the Russian president replied: "All European countries tend to keep together. The European Union has many countries which are sovereign, independent and pursuing their own policy. But they coordinate all their activities among themselves. This results in smaller costs to every country".

Lukashenka replied to the same question using the words of Russian Foreign Minister Andrey Kozyrev: "May god forbid any encroachments on Belarus's sovereignty. Russia would be the first to lose much".

Lukashenka: Remain Under Russian 'Influence'

WS2202085395 Minsk Radio Minsk Network in Belarusian 0400 GMT 22 Feb 95

[FBIS Translated Text] The Republic of Belarus, according to President Alyaksandr Lukashenka's words, is not seeking NATO membership.

In an interview with DEUTSCHE WELLE, the German radio station, he stated: We intend to remain in the sphere of Russia's political influence.

Last Russian Air Force Surveillance Plane Withdrawn

WS2102132795 Minsk VO SLAVU RODINY in Russian 17 Feb 95 p 1

[Unattributed report: "The Last Russian Surveillance Airplane Left Belarus"]

[FBIS Translated Text] **At 1522 on Monday [13 February], the last A-50 long-range radio surveillance airplane deployed in Belarus took off from the Machulishchi airfield and headed east. The plane is the equivalent of the U.S. AWACS system.**

The aircraft was piloted by a crew headed by Russian Air Force Colonel Vitaliy Babayev.

In times when the name Soviet Union was used without the word "former," this type of aircraft used to "live" in Vitsebsk.

U.S. Team Arrives To Inspect Missile Reductions

WS2202102495 Minsk BELAPAN in English 1200 GMT 21 Feb 95

[FBIS Transcribed Text] Under terms of the Treaty on the Elimination of Intermediate Range and Shorter Range Missiles, a United States military group arrived in Belarus to inspect the garrison at Stankovo, Minsk Rayon, where in Soviet times the process of reduction of the missiles in accordance with the treaty started first.

As a BELAPAN correspondent was informed at the National Agency for Control and Inspections, within two days the inspection group examined facilities on the territory of the garrison. As a result of the examination an inspection protocol was signed with the Belarusian side.

EU Council Offers Loan, Pending New Rules

LD2102145195 Moscow ITAR-TASS in English 1410 GMT 21 Feb 95

[By ITAR-TASS correspondent Aleksandr Mineyev]

[FBIS Transcribed Text] Brussels February 21 TASS—The economics and finance ministers of the European Union member-countries decided on Monday [20 February] to grant 75 million ecu [European Currency Units] in a ten-year loan to Belarus to help the republic maintain its balance of payments, an announcement said on Tuesday.

The move was debated by the ministers for a long time because, under the existing criteria for the provision of macroeconomic aid by the economic union, aid can be granted only to potential members of the union.

Exceptions have earlier been made, though, with regard to Moldova and Ukraine neither of which is regarded at this point as prospective members of the union.

In this connection, the ministers raised a question of adopting new criteria for EU macroeconomic aid to foreign countries.

The decision on the loan to Belarus will require an official confirmation after the new rules are adopted.

Hryb: 'No Tangible Results' From Reforms

LD2102213295 Moscow INTERFAX in English 1900 GMT 21 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] Mechyslaw Hryb, chairman of the country's Supreme Soviet, told parliament Tuesday [21 February] that the reforms, initiated last fall, had brought no tangible results.

Hryb said that the crisis had acquired dimensions which pose a threat to the state sovereignty and could trigger unpredictable social conflicts.

He attributed this situation to absence of a strategy or tactics of the reforms or of its goal.

Hryb called for overcoming the differences between the branches of authority and for cooperation between them while maintaining the principle of power sharing. Belarus does not have a democratic state yet, he admitted.

Hryb said that if Poland and the Baltic republics joined NATO, Belarus might find itself on the border separating political blocs. He argued that Belarus could not remain indifferent as new military alliances emerged.

Hryb believed that foreign policy priorities had to be set soon. He said it was time that the legislative and executive authorities had decided on the importance of Russia, China, the U.S., Germany, the Baltic counties and Poland in Belarus's foreign policy.

Bills on Refugees, Cabinet of Ministers Discussed

WS2202101895 Minsk BELAPAN in English
1200 GMT 21 Feb 95

[FBIS Transcribed Text] At the morning sitting on 21 February the Supreme Soviet made an unsuccessful attempt to approve the bill "On Refugees" on its second reading. According to its authors, the bill is to regulate migration processes and first of all stop the drain away from Belarus. The bill was recommitted. Then the Supreme Soviet started considering the bill "On the Cabinet of Ministers of the Republic of Belarus," which had been returned by the president. However, the parliament did not back up the amendments Alyaksandr Lukashenka made. Two hundred and twenty eight MPs voted for the confirmation of the former version of the bill. It was submitted for signing by the president again. According to the legislation, the bill will assume the power of a law even if the president refuses to sign it again. At the afternoon sitting the Supreme Soviet is expected to debate one more bill—"On the President of the Republic of Belarus"—which was also returned by Alyaksandr Lukashenka.

Moldova

Snegur 'Pleased' With Results of Washington Visit

LD2102213895 Moscow INTERFAX in English
1900 GMT 21 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Mircea Snegur gave an exclusive interview to Interfax.

[Interfax] Numerous local analysts said in commenting on your recent U.S. visit that while Moldova sought support from strong countries, these also wanted Moldova to prosper. Do you agree?

[Snegur] I am pleased with the results of my Washington visit. Bill Clinton and other officials we had talked with said that they highly appreciated Moldova's course of democratic and economic reforms and its quest for peaceful solution of internal conflicts. The preparedness of both the U.S. and international financial organizations to back our reforms makes me optimistic. Incidentally, the next meeting of donor countries will be held in Paris and I hope that decisions made there will be favorable to Moldova.

[Interfax] What can you say about the recent visit of a State Department team to Moldova?

[Snegur] Its basic result is that the U.S. support for Moldova in its existing borders was confirmed. The U.S. also agrees with our view on the withdrawal of the 14th Russian Army. We are especially concerned over the supervision of the removal of its hardware and ammunition which can be taken over by people staying in the republic if the process is not supervised internationally. For this reason we suggest specific ways to supervise the removal of arms and want the OSCE mission in Moldova to be expanded.

[Interfax] Are there any grounds for concern over the referendum in Gagauzia on the population centers which are to be incorporated into that autonomy?

[Snegur] In my view, the Gagauz problem has been resolved in a reasonable way. The area stays in Moldova, it acquires great autonomy and solid guarantees of maintaining and developing the Gagauz culture. I feel that common sense prevailed over political ambitions.

IF Note: Under the government-approved guidelines on the referendum, it will certainly be held in areas where the Gagauz make more than 50 percent of the total population. Where they account for less than 50 percent of the total, the referendum will be held if at least one third of the electorate want it. The voting will be held on March 5. The electoral ballots will be in the Russian, a state language, and, if necessary, in the Gagauz. The referendum will be regarded as valid if at least three fifths of the electorate attend it. A decision will be regarded as valid if the majority of the registered electorate votes for it.

I would like to see the same approach used in looking for a solution to the Transdniestrian crisis. The Transdniestrian leaders say that the status similar to Gagauz-Yeri, or Gagauzia, is not acceptable to them. We will continue a dialog with them until a compromise is worked out. We believe that common sense will prevail in this case, too.

According to Snegur, territorial integrity of Moldova is an essential condition for its stable development along with economic reforms and social protection.

He said that control over the eastern part of the country had to be restored, above all, because most of Moldova's industries are concentrated there. Snegur believed that the separation of the two banks of the Dniester cost the country $250 million a year.

Continuation of Snegur Talks With Romanian Premier

Talks on 'Rehabilitation of Trust'

AU2102190295 Chisinau BASAPRESS in English
2257 GMT 20 Feb 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 20/2/1995—Romania has a special place in Moldova's foreign policy, Moldovan President Mircea Snegur stated today at a meeting with Romanian Premier Nicolae Vacaroiu, reported a communique released by the presidential press service to BASA. Referring to the present stage of development of Moldovan-Romanian relations, Snegur said that "they have to develop continuously in multiple areas." In this context Snegur pointed to the opportunity of creating free economic zones on the border, "which will allow the economic agents [companies] to develop commercial relations with the West, as well as the East," said the communique. Also the Moldovan president said that "the beginning of a monthly dialogue with the Tiraspol leaders will give impetus to the resolving of the existent problems." Snegur also said that "the so-called Ilascu case is also discussed at the meetings with Dniester leaders." According to Snegur "the Ilascu group" problem will be solved once progress is achieved in dealing with the issue of granting a special juridical status to the Dniester region. The parties to the meeting unanimously agreed on the idea that the intensification of political contacts between Chisinau and Bucharest "will lead to the rehabilitation of trust." Also Premier Vacaroiu suggested a meeting between the ruling parties of both countries, said the presidential press service.

Four Agreements Signed

LD2102173395 Moscow ITAR-TASS in English 1541 GMT 21 Feb 95

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Transcribed Text] Chisinau February 21 TASS—Four inter—ministerial agreements were signed on Tuesday [21 February] during the visit of Romanian Prime Minister Nicolae Vacaroiu to Chisinau. The agreements concern double taxation in trade, railway transport, tourism and local self-rule.

Vacaroiu said the current phase of relations between Romania and Moldova was discussed during his meetings with the Moldovan president, parliament chairman, prime minister and other leaders.

The prime ninister expressed hope that the talks would activate the two countries' cooperation which has been recently dented.

Vacaroiu said experts of Romanian and Moldovan Foreign Ministries were drafting a bilateral friendship and cooperation agreement.

Vacaroiu Visit Summarized

AU2202121295 Chisinau INFOTAG in English 1815 GMT 21 Feb 95

[FBIS Transcribed Text] Chisinau INFOTAG, 21/2/1995—In the framework of the official visit to Chisinau of the Romanian governmental delegation headed by Prime Minister Nicolae Vacaroiu, the two sides signed a series of inter-governmental and inter-ministerial agreements today.

At the press conference held after the signing ceremony, Prime Ministers Andrei Sangheli and Nicolae Vacaroiu said these were the agreements on avoidance of double taxation, on cooperation in tourism, in local public governing, and in railway transportation.

Vacaroiu said the documents are targeted on deepening the cooperation in all fields, on granting a series of privileges, on exchange of information and experience, on providing access to tourist centers and other recreation facilities, on avoidance of the double taxation, and preventing misunderstandings at crossing the international border. He refuted an opinion that the trade between the two states had declined in 1994 and stated that last year Moldova commenced supplying goods to Romania to repay the eight-year-long credit worth $10 million.

At the same time, the prime ministers have agreed that the cooperation comes across lots of problems which require urgent solutions, which is to result in increasing trade volumes in 1995. Nicolae Vacaroiu stated that the trade volume is to grow by 10-20 percent by the end of this year, compared with 1994 figures.

Moldovan and Romanian Prime Ministers Andrei Sangheli and Nicolae Vacaroiu expressed their hope that 1995 will become a year of more active cooperation between the two countries. They stated at today's press conference that neither of them was satisfied about the existing level of cooperation, and both are resolute to raise it to a new, much better level.

Vacaroiu stressed that Romania will support Moldova on the international arena, in European and Euro-Atlantic structures, and in bilateral relations Bucharest will promote the creation of a unified cultural and spiritual area.

"We shall have to upgrade the activities of inter-ministerial committees and the 25 working groups set up in their framework. We ought to lend a new impulse to the activities of the 700 Romanian-Moldovan joint ventures, improve their work, and remove bureaucratic obstacles. We have common history, culture, traditions, and language and we must do everything possible to let the world understand that there exist two powerful Romanian states," the Romanian prime minister stated.

Answering a question about whether or not Moldovan and Romanian citizens could be granted a dual citizenship, Andrei Sangheli said the sides did not raise the issue during the current visit, and, actually, the question does not exist at all, because the Moldovan legislation does not envisage granting dual citizenship. He said he had never heard about any cases of assuming the Romanian citizenship by Moldovan residents, and, the more so, about persecutions of the kind.

Answering Romanian journalists' question about whether or not the Moldovan Government was going to give up using the terms "Moldovan language" and "Moldovan people," Andrei Sangheli let them know that nobody was going to, so far. "Let us not run ahead of time, and let us set to solving urgent problems of our everyday life in order to raise the people's standards of living. And history will itself make the final diagnosis," Sangheli said.

Both heads of government spoke in favor of a more active preparation of the bilateral treaty on friendship and cooperation. The document shall be worked out by expert groups, and should any problems arise, the heads of government may meet once again, the prime ministers said.

The chairman [speaker] of the Moldovan Parliament, Petru Lucinschi, spoke for establishing an effective mechanism of cooperation between the Moldovan and Romanian legislative organs. He stated this on Tuesday, 21 February, when received Romanian Prime Minister Nicolae Vacaroiu.

The guest stressed that the cooperation is to be further promoted by the soon-to-come visit of Romanian Senate Speaker Oliviu Gherman to Chisinau.

Vacaroiu confirmed his country's strivings to broaden relationship with Moldova on the basis of recognition of its independence, mutual respect, and mutual assistance.

The sides pointed out the necessity to speed up the signing of the treaty on friendship and cooperation between the Republic of Moldova and Romania, as well as of an agreement on mutual assistance in the field of criminal, civil, and marital law.

The meeting was attended by the leaders of all factions in the Moldovan Parliament. Each faction had a separate meeting with the Romanian delegation.

The members of the Romanian governmental delegation also had meetings at the Moldovan Ministries of Finance, Education, and Agriculture.

Trade With Romania Drops 29.2 Percent in 1994

*AU2102190695 Chisinau INFOTAG in English
1930 GMT 20 Feb 95*

[FBIS Transcribed Text] Chisinau INFOTAG, 20/2/1995—According to the Ministry of Economy, the volume of trade between Moldova and Romania declined by 29.2 percent last year, compared with 1993.

Exports fell down by 22.6 percent, and imports by 39.3 percent.

Moldova exported vegetable oils and butter, sugar, meat, textile, and some industrial goods, and imported petrol, diesel fuel, machines and equipment from Romania.

Dniester 'Does Not Mind' Moldova/Romania Cooperation

*AU2202121695 Chisinau INFOTAG in English
1815 GMT 21 Feb 95*

[FBIS Transcribed Text] Tiraspol INFOTAG, 21/2/1995—The state secretary of the self-styled Dniester Republic, Valeriy Litskay, has stated that "Dniester does not mind Moldova's and Romania's cooperating in various fields."

He told INFOTAG that "such a cooperation is quite natural, because the former Soviet republics and former socialist countries in Eastern Europe have very much in common, and the break-up of economic ties influences negatively their overcoming of the current economic hardships." He pointed out that Dniester did not take part in the Moldovan-Romanian negotiations, because nobody had invited them to. He reminded that in recent months Dniester representatives used to be invited to various delegations at essential inter-state talks, including all latest CIS summits.

The Dniester state secretary called it "surprising" that no Gagauz representatives had been invited either to the Moldovan-Romanian negotiations, though their legal status had been already fixed.

Snegur: Kiev To Act as 'Security Guarantor'

*AU2102205195 Chisinau BASAPRESS in English
2257 GMT 20 Feb 95*

[FBIS Transcribed Text] Chisinau BASAPRESS, 20/2/1995—The February 15 meeting between President Mircea Snegur and Dniester leader Igor Smirnov once more underscored the divergence in principles which impedes the settlement of the Dniester dispute. The Tiraspol leaders tried to impress that the ball is on the Chisinau side. Unlike the Moldovan authorities, which released a summary communique, Tiraspol TV broadcast an interview with Snegur and Smirnov. Taking advantage of his being host, Smirnov stated that "it is dialogue between equal partners" and the Dniester dispute should be solved "by the Republic of Moldova and the Moldovan Dniester Republic." Asked whether the 14th Army withdrawal was examined at the meeting, Snegur implied that this can be discussed only between Chisinau and Moscow. In his turn, Smirnov regretted that this issue was not included in the agenda. Given the current circumstances regarded by Tiraspol as limiting "the possibilities to express themselves," the Dniester leaders pursue their option by other means. Before the meeting between Snegur and Smirnov, the Tiraspol Supreme Soviet sent a group of deputies to Moscow to ask Russian MP's not to ratify the 14th Army withdrawal agreement unless Dniester is granted a special status. Dniester legislators suggested that the population express its option regarding the 14th Army withdrawal in the March 26 local elections in Dniester. As to Smirnov's option, he expressed it in a decree which forbids local and foreign economic companies to get involved in pulling the 14th Army hardware out of Dniester. Commenting on the Chisinau-Tiraspol talks, President Snegur called it "the right solution which becomes more important in the context of armed conflicts in various regions of the world." "We believe it is time to repair the bridges [over the Dniester River] and ensure free movement; because of these problems we suffer losses," said Snegur, adding that Ukraine also incurs losses. For this reason Kiev might accept the role of guarantor of security in the region. Apparently, the head of the Ukrainian diplomacy, who will visit Chisinau this week, will try to probe this subject.

Experts, who counted on an integral project of special status for Dniester with most articles adopted in common agreement, were disappointed. According to some sources in Tiraspol, the Dniester leaders tried to turn the talks back to an earlier phase when a "famous" bridgehead was conquered. At the 28 April 1994 meeting between Snegur and Smirnov, Chisinau agreed to grant Dniester a "state-juridical" status. Nicolae Osmochescu, the head of the Chisinau experts group, said then that the term is more "inoffensive" than reporters may think. After almost one year, Tiraspol insisted that, based on this principle accepted by the Moldovan authorities in the presence of Russian special envoy Vladlen Vassev and OSCE representative to Moldova Richard Samuel, the legislative, executive, and judiciary powers be legitimated in the form they are now organized in Dniester.

Dniester Referendum on Russian Withdrawal

LD2202082995 Moscow ITAR-TASS in English 0641 GMT 22 Feb 95

[By ITAR-TASS correspondent Sergey Aprelev]

[FBIS Transcribed Text] Tiraspol February 22 TASS—The Moldovan breakaway Dniester region, which opposes a planned withdrawal of the Russian peace-keeping 14th Army deployed on its territory, decided to hold a referendum on the pullout and to request the Russian parliament to vote down the withdrawal agreement with Moldova.

The Dniester parliament decided to hold the referendum on March 26, together with elections to the local bodies of power.

The decision of the legislature, reported by the local "OLVIA- PRESS" news agency, said the agreements signed between Russia and Moldova on the withdrawal of the 14th Army was concluded without considering the opinion of Dniester authorities.

The legislature decided to address Russian lawmakers "to refrain from ratifying the agreement with Moldova" and to discuss the withdrawal problem with the Dniester region.

Kazakhstan

Defense Minister Looks Forward To Moscow VE-Day

MM2202113095 Moscow KRASNAYA ZVEZDA in Russian 18 Feb 95 p 4

[Interview with Defense Minister Saghadat Nurmaghambetov by Anatoliy Ladin under the rubric "A Hero in Our Midst!"; place and date not given: "Saghadat Nurmaghambetov"]

[FBIS Translated Excerpts] [passage omitted]

[Nurmaghambetov] I know how much combat veterans today view with pain the division, now a fait accompli, of our once indivisible country into separate states. I had the opportunity recently at the ceremonies in Kiev to talk to veterans of various regions. What are their most secret dreams about? For the states of the CIS in their new capacity to come closer to one another. For them to find in the final analysis a way to unite—something for which our president, Nursultan Nazarbayev, who put forward the idea of creating a Eurasian union, is calling. During the war years Russia and the Russian people unified around themselves all the peoples of the USSR. This led us to victory. Today also Russia cannot and must not lose the initiative of uniting around itself the independent states formed following the Union's collapse. Many things are being done on its side to achieve this. But the economic situation is such that people, tired of every kind of upheaval, once again are looking hopefully to Russia.

[Ladin] The 50th anniversary of Victory is not so far away. How do you see this day of remembrance?

[Nurmaghambetov] My wish is as follows: Let this day remain, as before, a day of remembrance for all the peoples who contributed to the defeat of the foe. So that no one should ever be tempted to try to oust anyone from the ranks of the brotherhood-in-arms, to pass over some people's merits in silence and deliberately puff up someone else's. And here I would again like to make mention of Russia, of Moscow and the Victory Memorial on Poklonnaya Gora. Combat veterans living in the various republics hope that the work on the main memorial, which extols the feats of all the peoples of the USSR in the battle against fascism, will be completed by Victory Day. And that visitors will see a just reflection of all the events on the front line and will pay a tribute of respect to all those who fought for the Victory. Such a line is sustained in the newly renovated museum in Kiev. This pleased me. [passage omitted]

Treaty on Military Cooperation Reviewed

95UM0280A Almaty EKSPRESS-K in Russian 16 Feb 95 p 5

[Article by Andrey Grozin, political scientist: "Little Spice Cakes and the Tractability of the Poor"]

[FBIS Translated Text] Almaty—The Russian-Kazakhstan treaty on military cooperation was ratified in the second half of October. It is interesting to recall in this connection what was written by the republic's newspapers concerning the potential of these agreements at the beginning of 1994. A lot was said about the fact that the treaty was conceptually prepared, but individual questions remained that still needed to be refined.

By an irony of fate, the aforementioned document was signed by the new Government of Kazakhstan (more accurately, the "new-old" government) almost simultaneously with the increase in prices for bread and the introduction of changes to the state budget of the republic. We will attempt to analyze how the aforementioned "individual" questions were resolved and explain what kind of general trends are hidden behind this single fact.

The fundamental problems (which were still not resolved at the beginning of 1994) were the strategic nuclear forces deployed in Kazakhstan, the Baykonur space facility, and other test ranges.

And so, Baykonur. According to the latest data, the treaty on leasing this gigantic space complex has been signed. The conditions of the lease and its periods have also been fixed. Now we will recall what was said about Baykonur in January 1994. "National" specialists "estimated" that leasing the Kazakhstan test ranges would cost the Russians $7 billion annually, $3 billion of which would be paid for Baykonur. It is hardly likely that the Russian budget would absorb such a sum. Perhaps the budget of the Russian Federation would indeed not absorb "such a sum," but the "estimates" of our homegrown "specialists" cannot but evoke some emotion. Russia, apparently, somehow contrived to persuade us to take not $3 billion, but $115 million for the lease of the famous cosmodrome.

You think they reduced the price a little, no more than by a factor of 26. You have to think that either the unknown "specialists" were incompetent, or they were guided by the "market" wisdom—"if you want a goat, ask for a camel," or there is something else going on here. Moreover, the right to cancel the Baykonur lease on expiration at the stipulated date is granted not only to Kazakhstan, but to Russia as well. In this connection, statements about the fact that the "construction by the Russian Federation of its own cosmodrome in the Far East is ineffective," raise mild doubts: Is it possible that Russia, with its scientific-technical potential, enormous space and resources, and the priority attention to it by the West (and not to Central Asia, the Caucasus, or even the Baltic) will not succeed in creating a space complex on the level of Baykonur in 20 years? Perhaps our political leadership assumed what was desirable was real?

Further, 4 billion more "estimated" by Kazakhstani "specialists" at the beginning of the year were to go for the lease of test ranges, etc. And out of this sum the republic would get "nothing," if we were also "persuaded" on this question to reduce our appetite by a factor of 26. There is specific discussion in the military-political treaty of the Russian Federation and the Republic of Kazakhstan concerning the Sary-Shagan test range, but it should not be forgotten that the main items in these agreements are not test ranges, but the strategic nuclear forces deployed in Kazakhstan.

The republic must get rid of weapons of mass destruction entirely by 1997. Apparently our political leadership hoped up to the last moment to sell nuclear missiles and "our good will toward disarmament" at a higher price. The first serious attempt was made in the United States, but the tight-fisted representatives of the superpower, who are accustomed to counting every cent, offered little "spice cakes" as a bribe and displayed an imposing, threatening "whip," hitting the economy and political prestige of intractable Ukraine so that the other "smaller" post-Soviet nuclear states—Belarus and Kazakhstan—would understand that it is not worth trifling with "aspirations for a nuclear-free world."

The several dozen millions allocated by the United States for the denuclearization of Kazakhstan (and not even in one year and under strict expenditure control)—are, of course, niggardly. Then they decided to "shake down" the "older brother" for the purpose of financial infusions—it is here that "suddenly" the "individual" questions arose.

However, time is passing, and political romanticism has started to wane noticeably in the republic. Today, any person who is removed from policy understands that without the Kazakhstan test ranges it perhaps will be much more difficult for Russia to improve its military space and nuclear missile forces, but that its potential is sufficient to support its own strength at a necessary level. The Russian Federation's cooling toward Kazakhstan is already creating many more problems for our state, but not for Russia.

Now our leaders, it seems, have begun to understand vaguely that Russian inattention is very, very dangerous—the Russian Federation is not only the main consumer of our raw materials (and consequently the main source of financial revenues), but is the transit point for practically all Kazakhstan's foreign economic activity.

Turkey, Iran, Uzbekistan, and other states of the south cannot substitute for Russia for many reasons: geopolitical, economic, military, and others. The main one, in the context that interests us, is the reason for the economic plan—one poor man, even one of substance according to poverty standards, cannot help another, even if he suddenly wants to. In the best case, the poor states of the south can organize something in the nature of small financial infusions in the post-Soviet republics of Central Asia and the Caucasus, but the development "for shares" of scientifically and financially intensive complexes like the Baykonur we are talking about is out of the question. The West is also not a helper in this—it is simply stupid to call on the United States or France to invest their money not in the Cape Canaveral or Kourou space centers, but in Baykonur.

However, let us return to the signing of the Russian-Kazakhstan treaty on military cooperation. It was declared earlier that Kazakhstan will never agree with the position of a number of Russian military politicians who are practically demanding recognition of the status of Russian military bases on the territories of the near abroad, which, by the way, is also stipulated as a paramount task in Russian military doctrine.

Many have said that such intentions in the mutual relations of the two countries first of all have no promise for Russia itself, inasmuch as the world community will not disregard such steps. For goodness sake, what is there to talk about? The "world community" in recent years "disregarded" even more drastic things—the continuous killing of the Kurds, the permanent wars in Afghanistan, Rwanda, Yugoslavia, the Indo-Pakistan conflict, Haiti and dozens of other "steps." Some, Like China, did not approve of the cruise missile strikes against Iraq, and some, like Turkey, attempted to threaten Armenia, under whose strikes the Azerbaijan defense fell like a house of cards, etc., but Baghdad was lying in ruins and the Armenians were taking Lachin and Shushu, and everything took its own normal course.

The powers that be should have known that the United States had already assigned Russia the role of "bringing order" on the territory of the CIS a long time ago. The new Russian military doctrine did not produce a particular furor in the world or loud accusations of imperialism, inasmuch as 50, if not 70, percent is copied from the military doctrine of the United States.

Baykonur was and remains of interest to a great degree specifically as a military-space installation. As for Russian military bases in Kazakhstan, it is sufficient to read the text of the aforementioned treaty concerning military cooperation to dispel the latter doubts. You will agree that if one state leases part of its territory to another state and stations some of its military subunits there, it is difficult to call this anything other than a military base.

And the last thing. In accordance with amendments to the budget of Kazakhstan it is planned to spend on "bread compensation" more than 1.7 billion tenge that the republic was supposed to spend on the so-called strategic troops of the CIS; that is, on the maintenance of a nuclear missile potential. But there is an article in the Russian Federation and Republic of Kazakhstan treaty on military cooperation about the fact, for example, that the president of Russia, after consulting with our president, can approve the use of nuclear forces deployed in Kazakhstan.

It becomes clear on the basis of a number of articles of the treaty that the Russian side will pay for and consequently also control Kazakhstani missiles. Moreover, they did not give us a lot of money—a simple calculation amounts to about $36 million. But our missiles are really no longer ours.

The poor are always very tractable. They do, of course, have immoderate appetites and a desire to equalize themselves in rights with those who are stronger and richer. Perhaps this would even be just, but the world is always far from perfect. Therefore, the poor sell themselves cheap, especially when they are desperately in need of money.

Almaty, Beijing Sign Trade Agreement

LD2202095595 Almaty Kazakhstan Television Network in Russian 0350 GMT 22 Feb 95

[FBIS Translated Text] The Kazakh Government delegation, led by the First Deputy Prime Minister Nyghmetzhan Yesengharin, arrived in Beijing on 20 February and held talks the same day with Li Lanping, vice prime minister of the State Council of the People's Republic of China.

During the meeting particular attention was paid to issues of expanding and accelerating trade and economic cooperation.

As a result of the talks, a protocol and memorandum on trade turnover was signed for 1995.

President on Solving Oil Transportation Issue

LD2102211695 Moscow INTERFAX in English 1934 GMT 21 Feb 95

[FBIS Transcribed Text] Almaty, Feb 21 (Interfax)—In an exclusive interview with Interfax Tuesday [21 February], Kazakh President Nursultan Nazarbayev confirmed Almaty's intention to solve the oil transportation issue in close cooperation with Russia.

Nazarbayev said he understood very well Russia's interest in oil and gas projects in Kazakhstan. "All states of the world want to participate in such projects, because it is profitable," he remarked.

According to Nazarbayev, Moscow cannot invest as much as U.S. or British companies in the development of an oil transportation network in Kazakhstan.

In this context, he commented on the prospects of the Caspian Pipeline Consortium (CPC) created by Russia, Kazakhstan and Oman. In January 1995, representatives of the three states signed a protocol on the start of the first stage of the project totally worth $1.2 billion. When introduced, the pipeline network will allow to export Kazakh oil through Russians seaports.

CPC members confirmed Oman's right to attract another investor to purchase 25% of its class B shares. This kind of shares does not entitle its owner to the voting right, but provides all of the projects' benefits and profits. At present, Oman and Kazakhstan control 33% of shares each, while Russia owns 34% of shares.

Nazarbayev said the first stage of the project could be completed in a year or eighteen months, if the construction of the pipeline network started in the near future.

Nazarbayev emphasized that there existed other options to export Kazakh oil, particularly that to build a pipeline through north Iran to the Persian Gulf. An underwater pipeline could be built from Krasnovodsk to Baku and connected to the existing Iraqi-Turkish pipeline to reach the Mediterranean Sea.

Nazarbayev said he "understood" Turkey's position which believes that the ecological situation in the Bosporus Gulf will be seriously aggravated, if the planned volume of oil will be exported through Russian seaports.

Nazarbayev said another option under consideration envisioned building a pipeline through north Turkey to a terminal on the Mediterranean Sea.

Renewed Kentau Gold Extraction Offers Hope

954F1406A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 15 Feb 95 p 1

[Report by KAZAKHSTANSKAYA PRAVDA correspondent Lyubov Dobrota: "Gold-Mining Resumed in Kentau: This Fact Is Perceived by Kentau Residents as a Glimmer of Hope for Getting Out of the Economic Dead-End"]

[FBIS Translated Text] The first 2,000 tonnes of gold-containing ore have been processed in the AO [joint-stock society] Achpolimetall. A special factory has been fully refitted for this purpose; its capacities will allow the processing of 500,000 tonnes of ore a year. The plan is to process gold-containing ore from the local Komystinskiy gold deposit. In 1991 Kazzoloto suspended all work here, having deemed further development of the deposit ineffective.

Recently the Karatau geological prospecting expedition once again surveyed the deposit and came to the conclusion that it makes sense to resume gold-mining here: The gold content of one tonne of ore is 6 grams of pure gold. The Kazgimalmatazoloto prepared a technical and economic substantiation, while at the same time specialists paid several visits to the Akbakaysk GOK [mining and ore-processing enterprise] in Zhambyl Oblast and studied the experience of local metallurgists.

Currently the industrial development reserves in the Komystinskiy gold deposit are estimated at 7.5 tonnes of pure gold. Specialists predict, however, that at least 50 more tonnes of precious metal can be extracted here. Now Kentau residents are looking for partners in further processing of gold-containing concentrate. A cable came from Balkhash several days ago stating that the ore composition has been studied there and they are ready to accept it for further processing.

Organizational work on setting up a joint enterprise with the British company Gemini Business Center is near completion. The British are undertaking all the expenses on purchasing equipment and setting up the technological process. They will get 42 percent of the profit, and the rest will go to Kentau metallurgists. The British are not newcomers to Kentau. Two years ago they studied the situation here, looked things over, and have now decided to register a joint enterprise. A Ministry of Economics certificate has already been obtained.

Now, because of the complete cut-off of electric power, all work on gold-ore processing has been suspended. But preparation for ore delivery to the processing enterprise continues. As soon as it gets warmer and the electric power comes on again, processing will resume.

"Resumption of gold-mining has given Kentau residents hope for getting out of the economic dead-end," says Altynbak Orynbasarov, deputy chairman of the board of AO Achpolimetall.

Still, gold-ore processing will only partially solve Kentau's numerous problems. The main hope here is still on increasing the production of baryta concentrate. Its reserves in the south of Kazakhstan are greater than in the entire CIS. And the demand for it is huge. Achpolimetall already has the capacities for producing 500,000 tonnes of baryta concentrate a year.

Official on Attracting Foreign Capital

954F1338A Almaty PANORAMA in Russian No 6, 11 Feb 95 p 6

[Interview with Talapker Imanbayev, deputy chairman of the National Foreign Investment Agency (NAII) under the Ministry of Economics, by Nurlan Makhmudov; place and date not given: "When Making Management Decisions, As in Goods Production, Strict Technology Must Be Observed"]

[FBIS Translated Text] *Mr. Imanbayev thinks that the creation of a normative base is the most important task for attracting foreign capital.*

PANORAMA's questions are answered by Talapker Imanbayev, deputy chairman of the National Foreign Investment Agency (NAII) under the Ministry of Economics.

[Makhmudov] Talapker Talantanovich, the republic president has signed an edict On Measures for Increasing the Effectiveness of State Administration and Regulating Processes of Attracting Foreign Capital to the Economy. What is new about the latest edict?

[Imanbayev] It is the next step in implementation of the policy pursued by the president and the government for systematizing, accounting for, and rationally utilizing foreign capital. Taking as a point of reference the time the republic introduced its own currency, one observes that as early as December 1933 the president adopted a number of important decisions both concerning currency regulation and concerning foreign credit. On 20 March 1994 the president signed a decree approving the Statute on Attraction, Utilization, and Accounting for Foreign Credit. Then during the course of the year two new state banks were organized—the State Bank for the Development of Kazakhstan and the Export-Import Bank. The creation of such new structures and also the reorganization of state administrative organs required a strict distribution of functions among them, which was to help avoid unnecessary duplication in work and would clearly determine the responsibility of each. The president adopted this edict in order to carry out this task. Even its first point indicates that the central management and regulation organs in the sphere of attraction of foreign capital to the republic economy are: the Ministry of Economics—in the area of foreign investments, credit, and technical assistance, and the Ministry of Finance—in the area of foreign financial aid and management of the foreign debt.

I would like to emphasize the fact that, in addition to state administrative organs, a state needs executive organs as well. Many developed foreign countries have state financial-credit institutions. Alembank Kazakhstan, which previously functioned as a state agent, no longer meets the requirements. I will give a simple example here: As a client you may reproach the bank board because in implementing the state policy it is risking your money and also the money of other individuals and legal entities. The two new state banks are implementing the government policy and risking only state funds.

[Makhmudov] The edict gives several instructions to the Cabinet of Ministers. Which of them would you especially take note of?

[Imanbayev] The one that says that before 1 April 1995 it is necessary to develop and submit for the president's approval a state program for the attraction and utilization of foreign capital for structural transformations of the economy. Here, probably for the first time, we ourselves are using the terminology correctly: We have even become accustomed to using, instead of the correct wording "foreign capital," the phrase "foreign investment," and intending it to mean everything: direct investments, credit, loans, etc. The development of this program will make it possible to systematize the work for the attraction and utilization of foreign capital. The National Agency has already taken certain steps in this direction and we have a certain amount of experience.

The president's decree may be considered final to a certain degree, but also to a certain degree intermediate. In the first place, its special significance lies in the fact that it makes it possible to clearly distribute functions among state organs and executive organs. In the second place, it sets for the government the specific task of stepping up the investment process. For it is known that in order to implement any plan it is necessary to have initial capital. Its source can be either inside or outside the country. It is difficult to speak about our own today, although a small amount of this kind of work is being done. What remains are outside sources, and here capital may be attracted only in two forms: investments or credit. The edict makes it incumbent on us to clearly determine the projects for which it is expedient to attract foreign investments and those for which credit is appropriate. Then this document instructs the government to develop and approve a Statute on organization of the work of attracting, utilizing, and accounting for foreign credit. Such a statute was previously approved by the president's decree No. 1607 in March of last year; it fulfilled the mission assigned to it and helped to systematize this work. As a clear example one can mention that from the list that was published in PANORAMA (see No. 50/94), only a couple of plans passed the expert appraisal of the National Agency and the Ministry of Economics. The rest of the plans were begun before the creation of the National Agency and were accepted for financing while bypassing the established procedure for presentation of the ministries and former leaders of Alembank without the corresponding expert appraisal. As a result there was defaulted indebtedness to foreign creditors.

I think that in general in any business, in order to obtain a good final result, it is necessary to strictly observe technology. The technology for adopting management decisions should have a strict and clear procedure: what information should be put in, what should be the procedure for processing it, and what decision should be put out. At the present time we do not have a sufficiently developed technology for decisionmaking regarding foreign credit. Although there have been instructions from the ministries of economics and finance [word illegible] they have not produced the return that could have been expected from such normative documents. I think that one of the most important tasks today is to create the necessary normative base.

On 8 February the Cabinet of Ministers had already approved the new Statute on the Organization of Work for Attraction, Utilization, and Accounting for Foreign Credit. Now it must as quickly as possible "accumulate" departmental instructions, which will "spare" the government excessive trivial work. Specifically, this statute requires four documents: instructions on the procedure for decisionmaking regarding investment projects and commodity purchases, instructions from the Ministry of Finance on the procedure for issuing government guarantees, and then—on the procedure for enlisting commercial banks to service foreign credit according to risk-sharing principles, and last—on the enlistment of commercial banks for agency service of foreign credit. Thus the normative base, beginning with the Law on Foreign Investments and decisions of the president and government, should become more directed and specific in nature as it subsequently reaches lower executive levels.

[Makhmudov] Is there any guarantee that, instead of the four instructions, 5later there will be 20 or 30?...

[Imanbayev] Normative documents make it possible to make the mechanism for attraction and utilization of foreign credit clearer to each citizen of the republic and help him to gain a correct orientation if he wishes to obtain such aid. Then the instructions stipulate specific obligations of the bureaucrat, for example, the deadlines for and the quality of the work he must do. And then from my own two years of experience working in the National Agency, I can give this example. While previously there were cases when they brought brief letters of two or three paragraphs and asked for $100 million, now this no longer happens.

[Makhmudov] Talapker Talantanovich, if these documents are so necessary, has the deadline for preparing the program not been set too far in the future?

[Imanbayev] I consider even this deadline—before 1 April—to be very difficult for such a program, which is intended to fill the normative vacuum and give clear-cut priorities for the long-range future. Only the existence of a certain reserve—a new law on foreign investments, concepts of foreign economic policy, and concepts of attraction of foreign capital—will enable us to finish this work on time. There is a term which in the verbatim translation from the German or English sounds like "selling the country." But in fact it means "advertising the country" and it refers to the sphere of active attraction of foreign capital. Now throughout the world there is a serious struggle to attract investors, and this pertains even to those countries which are generally considered to be fairly wealthy: the United States, Britain, and Germany, not to mention, for example, the countries of Southeast Asia. As of today, because of the active political work of the president of Kazakhstan, the world has a certain amount of interest in our republic, but in order for investors to come it is not enough to have objects in which they are interested for profit; certain legal guarantees are very important to them as well.

Kyrgyzstan

Communists Win Run-off Elections

LD2102134095 Moscow ITAR-TASS in English 1206 GMT 21 Feb 95

[By ITAR-TASS correspondent Boris Mainayev]

[FBIS Transcribed Text] Bishkek February 21 TASS—The Kyrgyz parliament has been elected as a result of the runoff elections on February 19. According to the statistics published by the Central Electoral Commission, the new parliament will be mononational. The second round was won by 64 ethnic Kyrgyzs, five Russians, seven Uzbeks, one German and one Karachayev. Four women were elected to the parliament. Members of 12 parties were running for parliament, and representatives of only eight of them won seats there. The majority are members of the Communist Party.

According to the chairman of the Central Electoral Commission, the new parliament may start working in two months.

Further 61 Deputies Elected to New Parliament

LD2102181995 Moscow INTERFAX in English 1446 GMT 21 Feb 95

[FBIS Transcribed Text] BISHKEK, Feb 21 (Interfax)—Kyrgyzstan's new parliament has received another 61 deputies, total membership now stands at 77.

Markil Ibrayev, chairman of the republic's Central Electoral Commission, announced Tuesday, at the second round of parliamentary elections last Sunday, 24 candidates were elected to the Legislative Assembly (a total of 35 seats), and 37 to the Assembly of People's Representatives (a total of 70 seats).

At the first round, held on February 5, 14 candidates were voted into the parliament's lower house, yet another two nominees made it to the upper house.

Ibrayev reported that voting was held in 78 districts with 61.1 percent of registered voters casting ballots. As there was no voting in 17 districts elections there will be held anew on February 26.

The previous republican parliament, dissolved itself in early September when most deputies (168 of the 323) boycotted session. The parliament's "self-dissolution" forced the cabinet to resign since, in keeping with Kyrgyzstan's legislation, the cabinet's term in office is limited by the tenure of the parliament which endorsed its makeup. However, Akayev appealed to the current cabinet, led by Apas Dzhumagulov, to stay in office until a new cabinet is formed.

Tajikistan

U.S. Influence Behind Russia's Softer Tone

LD2102134695 (Clandestine) Voice of Free Tajikistan in Tajik 0630 GMT 21 Feb 95

[FBIS Translated Text] The visit of professors Haji Akbar Turajonzoda and Mohammad Sharif Himmatzoda, leaders of the Islamic Movement of Tajikistan, to the United States has had good results for the future of the fighting Tajik people's struggle for liberation. The first good evidence of the results of the visit and meetings of the deputy leaders of the Islamic Movement with the U.S. authorities is that Russia has softened its tone toward the opposition. A letter recently sent to the first deputy leaders of the Islamic Movement of Tajikistan by the Russian Foreign Ministry contains the following:

We have learned that Mr. Haji Akbar Turajonzoda, when considering the fourth round of inter-Tajik peace talks in the secretariat of the United Nations, has said the opposition agrees to take part in talks but the negotiations must not take place in Moscow. Russia has agreed that a representative of Russia's border troops will participate in this round and will find its results generally acceptable. Issues such as the utilization of the Kalai Khumb and Khorog roads by the opposition, the withdrawal of government forces from Darvaz, and returning confiscated weapons and ammunition to their owners will be considered and resolved during this round of talks.

Commentators say that Russia's softened tone is a result of the influence of the United States which has recently established close relations with the Tajik opposition.

President: New Parliament Depends on Voters

LD2102201395 Dushanbe Radio Tajikistan in Tajik 0800 GMT 21 Feb 95

[Address to the nation by President Imomali Rahmonov; read by announcer; place and date not given]

[FBIS Translated Text] Dear compatriots, we are on the eve of a historical event. Elections to the Supreme Assembly and local assemblies of people's representatives will take place on 26 February. An event that is important both in terms of political reform and in the formation of the new structure for the Tajik state, as envisaged in the republic's constitution of the republic, will thus take place.

All of us are responsible for holding this important political campaign in an organized, democratic, and free manner. These elections will take place at a completely new and historic stage. For the first time the people of Tajikistan, under conditions of independence in their country, will set up the supreme legislative body, the Supreme Assembly. Its primary task will be to approve laws which consolidate the foundations of the law-based state. It will be a factor for the economic, social, political, and cultural development of our society and will contribute to leading Tajikistan to a new path of development and progress.

During the past two to three years our country has taken firm steps along the path of creating an independent and democratic society. During this period Tajikistan chose a banner, national emblem, and national anthem. It built and consolidated the main foundations and pillars of its government, as well as its national army and border forces. Tajikistan has been accepted as a member of influential international organizations and has established political, economic, and cultural relations with most of the world's developed countries.

Within the CIS, Tajikistan was the second country after Russia to adopt its constitution by nationwide referendum. We therefore have the right to announce to the world with total confidence that the legal basis and democratic and civilized factors for establishing both national and local representation exist in the republic.

Suitable conditions have been created in the country for the successful and free conduct of these campaigns which will shape our political destiny. For the first time the elections will be held on the basis of a multiparty system, of pluralism, freedom, reality, and democracy. We have chosen a path toward establishing a democratic, secular, and law-based state. The elections to the Supreme Assembly and local assemblies are the next step in implementing our political objectives.

As president of the country, I undertake to ensure strict adherence to the law and freedom of voting for the citizens.

Dear compatriots, on the eve of these important political events I would like to draw your attention to the history of our people in recent years. You have witnessed that the division of the people by areas, districts, and groupings, the low standards of political culture, the irresponsible attitude toward the fate of the nation and state, and the placing of personal and group interests above the public interest originated from a number of deputies. And you well remember that it was through unreasonable and groundless promises, by manipulating the economic difficulties of the people, the one- party state, and other unworthy activities that most of these deputies were able to win their seats.

I believe that this bitter past is an unforgettable lesson for all of us. I hope that the voters will not let these mistakes be repeated.

During the pre-election period you will have an opportunity to examine your candidates properly and to familiarize yourselves with their activities, programs, and biographies. Most of the deputies who have been nominated are undoubtedly deserving and worthy people. But it is no secret that there are some candidates who would like to become deputies only to show off. They have ill intentions and aim to draw the republic into the maelstrom of unrest once again.

When you take a ballot paper, do not forget that you are voting for the future of the state and the leadership of the Tajik state, for lasting peace, unity, and accord, and in general for a good future for Tajikistan and for an enhanced status for it in the world. The level of competence, education, and ability of the Supreme Assembly and local assemblies will depend on your elections.

I believe in the wisdom and intelligence of my dear people, and I am confident that all of you will take an active take part in this important campaign and will vote for the best person.

Regime Meets With Former Head of Democratic Party

LD2202115695 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 22 Feb 95

[FBIS Translated Text] Representatives of the Dushanbe regime held a meeting with Shodmon Yusuf, removed chairman of the Democratic Party of Tajikistan, in Moscow. The meeting mainly focused on two issues—the registration of the Democratic Party of Tajikistan, and halting criminal proceedings against the members of this party.

According to Yusuf, his representatives have arrived in Dushanbe to hold talks with the representatives of the regime on several agreed issues.

Speaking to BBC Radio last year, Shodmon Yusuf expressed that he was ready to return to Dushanbe if regime halts his criminal case.

It should be remembered that an itinerate session of the presidium of the Democratic Party of Tajikistan, which took place in Almaty two month ago, suspended the activity of its chairman and deputy chairman for a period of six months.

According to commentators, the Democratic Party of Tajikistan is split into two parts. The fighters remained loyal to the ideals of the party, while the former communists are ready to cooperate with the regime.

Abdunabi Sattarov, an executive member of the Democratic Party of Tajikistan, considers the split as the big lesson in the past, present, and future history of the Democratic Party.

Armenia

President's Councilor To Leave for Turkey

NC2102155495 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0931 GMT 21 Feb 95

[FBIS Transcribed Text] Yerevan ("AZG" daily), 02/21/95—Councilor General of the RA [Republic of Armenia] President and his Special Envoy Zhirayr Liparityan will leave for Turkey today.

Presidential press service reported that Mr. Liparityan is to participate in an international scientific conference on "Security, stability, prosperity, and independence in the Northern Caucasus region." Besides Armenia, official representatives of Russia, Georgia, Iran, Turkey, Azerbaijan, European Union, and the OSCE Minsk group will participate in the conference.

The participants are to discuss security problems, conflicts in the region, their reasons, as well as problems of economic collaboration.

Communist Party Leader Sees Future of States' Union

NC2102142695 Yerevan NOYAN TAPAN in English 1049 GMT 21 Feb 95

[FBIS Transcribed Text] 21/02/95 NOYAN TAPAN—"We, Armenian Communists, do not conceal that the main task of the communists of the post-Soviet republics is establishment of a Union of Independent States,"—First Secretary of the Communist Party of the Republic of Armenia said to a "NOYAN TAPAN" correspondent. According to him, the new union will provide for common economic area, with common defense, financial, cultural, scientific and educational systems and structure based on coordinated external politics, where every member will retain his status of a subject of international law. In Badalian's opinion, within the framework of the new Union, the Karabakh problem will find its solution, since disputed territories, like Crimea, Abkhazia and Mountainous Karabakh will be recognized as equal members of the Union.

We are confident that the Armenian statehood can only be based on such status, - said Badalyan, - we are not against independence, we are against the kind of independence that is offered to us now. In his opinion, Armenia will finally be compelled to entering the Union, however, if a delay occurs, regulations and laws created by others will govern there.

"If such states like Kazakhstan, Russia, Belarus and Ukraine recognize this necessity, we can't feel indifferent about it," - Badalyan said.

"Above 100 nations have united once on the sixth of the territory of the earth under leadership of Russian communists. We are going to repeat it, but in a new quality and correcting the past mistakes, led not by a slogan 'Back to Socialism', but 'Forward to Socialism,'" - he added.

Suspended Press Publishes Strike Edition

NC2202111295 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0931 GMT 21 Feb 95

[FBIS Transcribed Text] Yerevan ("RESPUBLICA ARMENIA," "GOLOS ARMENII" dailies), 02/21/95—It is already 5 days that representatives of 14 mass media means, which were closed in regard with the presidential decree on suspending operation of ARF [Armenian Revolutionary Federation] "Dashnaktsutyun" party in Armenia, started a sitting strike in front of presidential palace.

Chairman of closed "HAYLUR" news agency Bagrat Sadoyan said that they published two issues of the joint "NSTATSUYTS" (sitting strike /"ARAGIL" AIP/) bulletin. He added that the journalists do not want to break the links with the people, and are looking for means to provide information about their struggle to fellow countrymen.

The bulletin was published on 4 pages, it is full of illustrations and information about the sitting strike. "Appealing to all our fellow countrymen and to the world community, to all those who appreciate creation of a legal and national state in Armenia, all those who appreciate principles of democracy and human rights, we call to support our just struggle for the sake of legality, for the sake of freedom of press," says the declaration.

Gold Deposit Offered for Foreign Development

NC2102172995 Yerevan SNARK in English 1219 GMT 20 Feb 95

[FBIS Transcribed Text] Yerevan, February 20 (SNARK)—Total amount of financing the Armenian State Department on Mineral Resources in 1995 will be 370 mln. [million] drams. Meanwhile, extra 300 mln. drams are needed for technical equipment, said the First Deputy Head of Department on Mineral Resources, Simon Papyan, in his interview to SNARK.

According to Mr. Papyan, the economy will be surged up when the mineral and raw material sources of the republic are developed. Also, Armenia was always considered as a country of great potential, with its precious and non-ferrous metals. Utilization of Armenia's mineral resources, he said, will attract foreign capital in a sense of establishing joint ventures, and conducting tenders for geological researches with the right to further exploit their deposits.

Currently, a package of the most perspective deposits is being prepared by the Department, which will be set out to tenders. Particularly, Karaber gold deposit in Gugark region is to be presented at spring tenders with the right for researches and further development of deposit.

Ghukasyan Examines Stances on Nagorno-Karabakh Issue

NC2102173495 Yerevan SNARK in English 1252 GMT 20 Feb 95

[FBIS Transcribed Text] Stepanakert, February 20 (SNARK)—There is nobody in the Azeri leadership today who would assume the responsibility of compromises in the negotiation process on settlement of Karabakh problem, stated the NKR [Nagorno-Karabakh Republic] Foreign Minister Arkadi Ghukasyan at a press conference today in Stepanakert.

According to Mr. Ghukasyan, this factor probably explains the non-constructive position of Azeri side at recent three-lateral negotiations in Moscow, in mediation of OSCE and Russia, which were actually futile.

The Foreign Minister confirmed again the Karabakh's position i.e. to solve primarily the military and technical aspects of preventing combat activity in the conflict zone and deployment of international peacekeeping forces. Only then, noted Ghukasyan, it would be possible to pass to discussion of political settlement issues.

If the Azeri side doesn't alter its attitude towards negotiations, the upcoming three-lateral meeting with participation of mediators in Stockholm may loose its meaning.

Experts Arrive To Study Economic Reforms

NC2102172695 Yerevan SNARK in English 0914 GMT 20 Feb 95

[FBIS Transcribed Text] Yerevan, February 20 (SNARK)—A group of economy complex experts of NKR [Nagorno-Karabakh Republic] has arrived today in Yerevan to study the experience on implementing economic reforms, especially at the initial stage, SNARK learned from the NKR Government.

As reported before, the NKR Parliament has recently adopted a program on economic reforms which are scheduled to fulfill in Nagorno-Karabakh. In this connection, Armenian experience is of great interest for Karabakh specialists who intend to use achievements of Armenia taking into account specific nature of NKR economy.

Azerbaijan

Former President Elchibey Refuses To Leave Keleki

NC1702202995 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 17 Feb 95

[FBIS Translated Text] According to reporters who arrived in Keleki from Baku to clarify the situation surrounding Azerbaijan's former president, Abulfaz Elchibey, Elchibey has assured them that the people surrounding him are not bandits or criminals, but rather are his kinsmen and are ensuring his security. Elchibey has declared that he does not trust the authorities and therefore reliable people should make up the team guarding him.

The former president has rejected the Interior Minister Ramil Usubov's proposal to leave Keleki temporarily.

The authorities of Nakhichevan Autonomous Republic have confirmed the events taking place around Keleki and have stressed that at present talks are going on to disarm the illegal formations in Keleki.

Opposition Demands Security Guarantees for Elchibey

LD2102132095 Moscow INTERFAX in English 1100 GMT 21 Feb 95

[FBIS Transcribed Text] BAKU, Feb 21 (Interfax)—Opposition members of the Azeri parliament intend to demand Tuesday [21 February] security guarantees for the former president and leader of the Popular Front Abulfaz Elchibey.

An organizer of the front, Najaf Najafov, told a Monday news conference in Baku that an understanding was reached on the subject with Elchibey at a meeting in Keleki, Nakhichevan autonomous republic, where the former head of state has been staying since his removal from power in June 1993.

Members of the opposition Popular Front and Musavat party visited Keleki after reports from Nakhichevan about the aggravation of the situation around Elchibey's headquarters. Azeri law enforcement bodies claim the aggravation was caused by the operation of unlawful armed groups subordinate to Elchibey.

According to Najafov, during the meeting in Keleki where the situation has relatively stabilized the sides agreed that in order to stop the rumors about militants Elchibey's bodyguards should be given an official status. It was agreed that the former president would have a security force of 15-25 persons appointed at Elchibey's recommendations and listed as Azeri special service officers.

A Musavat party member Arif Gajiyev told the news conference that there are no armed groups near the former president except his bodyguards.

Meanwhile, according to the latest reports of the parliamentary press center the plenary session scheduled for Tuesday might be postponed due to the absence of speaker Rasul Guliyev whose brother died in a road accident last Saturday.

Deputies Appeal for Elchibey Protection

NC2102173295 Baku TURAN in English 0913 GMT 20 Feb 95

[FBIS Transcribed Text] Baku (February 20) TURAN—Today a group of Deputies signed the appeal addressed to the Milli Mejlis to safeguard security of Abulfaz Elchibey and to legalize his guard, the credible source told TURAN.

As has been agreed earlier, the Milli Mejlis will be suggested to pass appropriate resolution on this issue and to agree to legalize Elchibey's guard. After that the current Elchibey's guard must be disarmed, the high-ranking source from the Foreign Ministry reports.

Speaking with Deputies, Elchibey said that he considers himself legal President of Azerbaijan. "I intend to continue struggle by political means in order to restore legal power in the republic", Elchibey says.

At the same time he told Deputies that the activities of the authorities aimed at "disarmament of armed units in Keleki" are groundless since many of those, whom the police searched there, live outside of Azerbaijan, Elchibey said.

People's Front Opposes Stronger CIS

954F1411B Baku ZERKALO in Russian 11 Feb 95 p 2

[Unattributed report under the rubric "News": "Azerbaijan People's Front Opposes Strengthening the CIS"]

[FBIS Translated Text] The People's Front of Azerbaijan issued a declaration stating that actions have recently been planned aimed at further strengthening the CIS at the cost of limiting the independence of individual CIS states. The declaration, delivered to ZERKALO, notes the following:

"Efforts with this objective which have been underway since December of last year are nearing their culmination. Over the course of meetings of heads of state, ministers of defense, and ministers of foreign affairs, matters have been discussed involving the establishment of collective peacemaking forces and a joint defense of the external borders of CIS member countries. It is also planned to discuss information from the commander-in-chief of Russia's Air Defense Forces on the establishment of a unified system of air defense for states comprising the Commonwealth of Independent States."

The declaration notes that "the People's Front of Azerbaijan decisively rejects the idea of establishing supra-state formations—a reflection of Russia's neoimperialist aspirations."

"The People's Front of Azerbaijan declares its protest with regard to any steps aimed at limiting the independence of the republic as proclaimed by the Constitution, and appeals to the authorities not to undertake such steps, which could threaten Azerbaijan's sovereignty," the declaration states.

Guluzade Opposes Secession of Nagorno-Karabakh

NC2102155595 Baku TURAN in English 1436 GMT 20 Feb 95

["Nagorno-Karabakh Cannot Exist Beyond Azeri State, Considers Vafa Guluzade"—TURAN headline]

[FBIS Transcribed Text] Baku (February 20) TURAN—"We are not going to yield the right for the part of our territory, nobody will manage to receive from us the legal rights for Karabakh," TURAN was told by the State Adviser for Foreign Political Issues Vafa Guluzade.

As it is known, seven years ago on 20 February 1988 the regional council of the deputies of Nagorno-Karabakh Autonomous Oblast stated about leaving the Nagorno-Karabakh and entering Armenia. Commenting on that decision Guluzade noted that "all the troubles of the Armenians and the Azerbaijanis began from that very day." According to him, for seven years the Armenians have been conducting the anti-Zionist [as received] policy, trying to obtain the international recognition of its expansionist policy. Such a policy is perspectiveless and dangerous and if the Armenians do not refuse it, both people will be doomed to the continuing conflict and break of the decisions of the international mediators, said Guluzade.

Connection of Politics, Oil in the Caucasus

NC2102183595 Baku TURAN in English 1217 GMT 21 Feb 95

[FBIS Transcribed Text] Baku (February 21) TURAN—Judging by all the issues of the politics, oil and peace in the Caucasus will interlace. The activity of the West and Turkey taking new steps in that direction confirm that. As it has already been reported, an official visit to Azerbaijan by Turkey's Prime Minister Tansu Ciller is to take place in near future. It is expected that the main subjects of her talks with Geydar Aliyev will be the route of the oil pipeline, increase of the share of Ankara in the oil consortium and possibility of opening the corridor through Turkey for rendering the humanitarian assistance by the West to Armenia.

According to the experts, prior to the arrival in Baku, Tansu Ciller will discuss these issues with the US State Secretary Christopher. Turkey may face the necessity to open the corridor for the humanitarian cargo to Armenia. Otherwise in case of refuse, Turkey can be deprived of the 600 million $ credit allocated by the USA. The voices demanding to stop the economic aid to Turkey, which on the opinion of some congressmen blocks Armenia, can be heard more and more often.

But it is difficult to suppose that Ankara will yield so easily not receiving any profit instead. Thus, Ankara has officially stated that it wishes to increase its share in the oil consortium from 1.75 percent to 6.75 percent. Besides, Turkey insists on putting the oil pipeline through its territory. By the way, in Baku and in the West the suggestions that the oil pipeline to Turkey can be laid also through the territory of Armenia are heard more and more often. They take into account that Armenia will make concessions in Karabakh in exchange for the energy independence from Russia and firm peace with Azerbaijan.

Turkey and the USA are more active in that respect. Over the last year and a half some Turkish officials proposed the development of trade relations with Armenia and opening the routes. In January 1995 an articles calling Armenia to refuse from the one-sided orientation towards Russia and to improve the relations with the West and Turkey appeared in the Turkish press. Of course, Moscow was not satisfied with that, but the growing military and political crisis in Chechnya, the threat of partisan war make the positions of the Kremlin less strong. However, the information in the letter of the President Clinton to Boris Yeltsin containing the agreement with the special relations of Russia with the NATO, can be assessed as a concession to Moscow. Regarding this the experts believe that the concession can be made in exchange for the agreement of the Kremlin to lay the oil pipeline from Azerbaijan to Turkey through Armenia or Georgia. The plans of the West also match the recent visit of Shevardnadze to London, where he proposed Georgia to be the route for the pipeline.

Time will show if all these proposals have a ground. It is known that on February 22-24 an international conference on the Armenian-Azeri conflict, to which the representatives of Armenia are invited, is to take place in Turkey. After the conference the representative of the US at the negotiations in OSCE for Nagorno-Karabakh is to arrive to the Caucasus. Exchange of opinions on the above mentioned issues will take place during his meetings with the leaders of Armenia and Azerbaijan.

Azerbaijan 'Risk Zone' for Investors

954F1411C Baku ZERKALO in Russian 11 Feb 95 p 10

[Unattributed report under the rubric "News": "Azerbaijan Remains a Risk Zone for Foreign Capital"]

[FBIS Translated Text] "The problems that have arisen in Azerbaijan with respect to financing its share of the oil contract do not constitute anything unexpected and in all likelihood will remain for the near future." So stated Doctor of Economic Sciences Nazim Imanov, deputy chairman of the Party for National Independence of Azerbaijan [PNNA], in an interview with the KHABAR-SERVIS news agency.

In Dr. Imanov's view, the chief reason behind main sources of credits being closed off to the republic is the fact that Azerbaijan continues to be a zone of risk for world financial institutions. Western finance experts relate this to the fact that if an administrative system of management exists in a country, the economy's steering mechanism then lies in the hands of a very restricted circle of people who may turn the economy in one direction or another at their discretion. In this event, laws affixed within the economy cease fully functioning. By virtue of this, Western financial institutions will consider Azerbaijan a zone of heightened risk, first of all until such time as there is a legally elected parliament that would be fully capable of monitoring the government, and secondly—until there is a market economy free of the will of a restricted circle of people," N. Imanov stated.

The PNNA deputy chairman believes that in order to improve the situation, and in particular to obtain credits for the oil contract, Azerbaijan will have to take a number of steps during the course of the 60 days allocated for this purpose. The most important of these is urgent adoption of the Law on Parliamentary Elections and scheduling the time frame for their conduct. It is considered no less important to demonstrate to the entire world a decisiveness to carry out market reforms and not just talk about them, in particular—to begin privatization.

"If this is done, then perhaps at the end of the two months allotted Azerbaijan there will appear some hopes of obtaining credit. Otherwise, the likelihood of acquiring funds from foreign financial institutions will diminish even further," N. Imanov emphasized.

The PNNA deputy chairman stated: "I believe that any authority in Azerbaijan is doomed to utter collapse unless three basic tasks are accomplished: the attainment of national accord, the beginning of political reforms (separation of branches of power, the starting point for which is the conduct of parliamentary elections), and the conduct of market reforms."

"Azerbaijan has precious little time left to rise up on its feet, and the Azerbaijan authority has even less," N. Imanov stated in conclusion.

$300 Million Needed for Food Purchases

954F1411A Baku ZERKALO in Russian 11 Feb 95 p 1

[Unattributed report under the rubric "News": "$300 Million Needed To Purchase Food"]

[FBIS Translated Text] According to Ministry of Economics estimates, Azerbaijan will need $300 million in 1995 for the purchase abroad of foodstuffs for closed institutions and defense establishments alone. Informing the KHABAR-SERVIS agency correspondent in this regard, the Ministry of Economics noted that the listing of required foodstuffs includes 11 product designations.

"Despite the fact that this amount represents a several-fold reduction, the Cabinet of Ministers is not confirming this plan since the state lacks the required funds," a Ministry of Economics spokesman stated.

Georgia

IMF Grants $75 Million Low-Interest Loan

LD2102150995 Tbilisi IBERIA in Georgian 1400 GMT 21 Feb 95

[FBIS Translated Text] Tbilisi, 21 Feb (IBERIA)—An IBERIA correspondent was told by Georgian Deputy Prime Minister Temur Basilia that during intensive consultations concerning the allocation of rehabilitation credit for Georgia, held in Washington 14-19 February and involving a Georgian delegation and senior IMF officials, preliminary agreement was reached on granting Georgia credit worth $75 million. The final decision will be made on 16 March at a meeting of the IMF board of directors. The credit will be released for a period of 30 years and will bear 0.75 percent interest.

Turkey Denies Arms Shipments to Abkhazia

AU2202112395 Tbilisi REZONANSI in Georgian 16-17 Feb 95 p 1

[Report by Akaki Gogichaishvili: "The Turkish Authorities Disclaim Responsibility for the Supply of Weapons From Turkey to the Abkhazians"]

[FBIS Translated Excerpt] On 14 February, a press conference was held in the Ministry of Foreign Affairs that was devoted to the results of the meeting of CIS-member states in Almaty. Giorgi Burduli, deputy minister of foreign affairs, and Border Troops Commander Valerian Chkheidze, both members of the Georgian delegation, answered journalists' questions. [passage omitted]

The question was raised in a particularly sharp tone why the Georgian Ministry of Foreign Affairs had not made an official protest to the Turkish authorities regarding the fact that weapons were being regularly shipped to Abkhazia from Turkey and that people from Turkey were being settled there. According to the deputy minister of foreign affairs, the ministry had sent such a protest note to the Turkish authorities, to which it had received the reply that all these facts were in violation of state policy and beyond the control of the Turkish authorities and, consequently, they disclaim responsibility for these events.

Opposition Leader Wants Ties With Russia Severed

LD2102143495 Tbilisi IPRINDA in Russian 1215 GMT 21 Feb 95

[FBIS Translated Text] Tbilisi [no date as received]—A conference marking the 74th anniversary of the adoption of the first Georgian Constitution on 21 February 1921 opened in Tbilisi today. The conference was held on the initiative of the [opposition] Georgian National Independence Party [NIP].

The conference was attended by about 200 representatives from various parties, including the opposition. NIP Chairman Irakli Tsereteli, who is a member of the Georgian parliament, told the conference briefly about the adoption of the 1921 Constitution.

Discussing the upcoming [parliamentary] elections, Tsereteli noted that it is necessary to take part in the elections so that national-democratic forces can finally come to power. He also said that Georgia should join NATO and pursue a Western orientation. Tsereteli said that the Chechen example convinced everybody that Russia is not what it used to be.

In the end, the NIP chairman presented the audience with five key issues on which, in his opinion, patriotic forces should agree: the occupation of Georgia should end, all the agreements signed with Russia in 1992-94 should be nullified, the decision to join the CIS should be nullified, the Georgian parliament should apply for NATO membership, and Russian peacekeeping forces should be withdrawn from the conflict zones.

Soviet Passports Withdrawn, Replaced

LD2202110395 Moscow ITAR-TASS in English 1024 GMT 22 Feb 95

[By ITAR-TASS correspondent Tengiz Pachkoria]

[FBIS Transcribed Text] Tbilisi February 22 TASS—Georgian republican radio reported that Georgia withdraws from circulation foreign passports of the Soviet period, starting from April 1. The reason for this move is that these documents were used for various falsifications and machinations.

Radio stresses that passport forms were often carried outside the Republic. Then, they were filled out with the use of computers, and forged stamps were put in them.

Georgian nationals will be now able to receive new foreign passports, the first batch of which was printed in France.

Security Head Said Behind Terrorist Attacks

LD2202101595 Tbilisi SAKINFORM in Russian 2355 GMT 21 Feb 95

[FBIS Translated Text] [no dateline as received] Aslan Abashidze, chairman of the Supreme Council of the Autonomous Republic of Ajaria, told journalists that recent terrorist acts in Georgia, including an attempt on his life, were organized by Igor Giorgadze, head of the Georgian Security Service. Giorgadze has not reacted to this serious accusation so far.

Council Members Propose Omanidze for Abkhaz Chairman

LD2202103195 Tbilisi SAKINFORM in Russian 2355 GMT 21 Feb 95

[FBIS Translated Text] [no dateline as received] One hundred and forty members of the Georgian Supreme Council signed a statement to the head of state Eduard Shevardnadze proposing that Council member Murman Omanidze, who was the Georgian foreign minister under Zviad Gamsakhurdia, be appointed as chairman of the Tbilisi-based Council of Ministers of Abkhazia. The post is currently occupied by Zurab Erkvania.

Estonia

Tarand: U.S. Arms Purchase Not Possible

WS2202113395 Tallinn ETA in English 1647 GMT 21 Feb 95

[FBIS Transcribed Text] The present Estonian government cannot use the possibility offered by U.S. authorities to buy modern armament from the United States, Estonian Prime Minister Andres Tarand told a press conference on Tuesday [21 February].

Tarand said that even if Estonia could overcome the necessary bureaucratic formalities, the arms sales deals in United States do not go that fast and the term of the present government will certainly be over before the deal is concluded. Tarand added that neither saw he at the present moment any source of money or possibilities of credits to buy arms.

U.S. authorities informed last Friday of their offer to the former East European countries to provide them with modern armament, such as F-16 planes.

Defense Minister Leaves Denmark for Croatia

LD2102135595 Tallinn Radio Tallinn Network in Estonian 0700 GMT 21 Feb 95

[FBIS Translated Text] Estonian Defense Minister Enn Tupp left Denmark today for Croatia where infantry groups of Estonian and Lithuanian peacekeeping units began to carry out a peacekeeping mission. The Estonian defense minister will learn about the activities and base of the Estonian group near Sisak and will visit the Lithuanian infantry group near Sunja.

In Croatia, Enn Tupp will also meet with Yasushi Akashi, special representative of the UN secretary-general in the former Yugoslavia, and General De Lapresle, commander of the United Nations Peacekeeping Forces in the former Yugoslavia. Enn Tupp will return to Tallinn on Thursday.

Bill Passed Making Estonian State Language

LD2102182295 Moscow INTERFAX in English 1446 GMT 21 Feb 95

[FBIS Transcribed Text] TALLINN, Feb 21 (Interfax)—The Estonian parliament passed a bill Tuesday [21 February] making Estonian the state language, all other languages are declared foreign ones.

State Law Commission Chairman Mart Nutt, who coauthored the bill, told Interfax that the 1989 legislation viewed the use of the Estonian language as a minority language in one part of the Soviet Union. Once the country won its independence in August 1991, Estonian ceased to be the language of a province and became the essential language of an independent state.

In Nutt's words, because Estonian is the state language under the Constitution, the new legislation focuses on the use of foreign languages and ethnic-minority languages in the country. In particular, where the non-native population makes up a majority, the foreign language of that minority will be used side-by-side with Estonian.

The legislation also specifies the spelling of personal and geographical names and notices. It bans translation of the Estonian parliament's name. The State Assembly is to be referred to as Riigikogu.

Unlike the former legislation which forced officials to answer visitors in Russian if he/she did not know Estonian, the new legislation allows visitor-official contacts in a language other than Estonian if the official agrees. If he does not, the visitor must hire an interpreter.

The new legislation largely reiterates the 1934 act. It has been scrutinized by the Council of Europe's experts. If signed by President Lennart Meri, it will come into force on April 1, 1995. The new legislation was passed in a 35-1 vote with two abstentions. There are a total of 101 deputies in Riigikogu.

Lithuania

Brazauskas Presents Annual Report

LD2102165795 Vilnius Radio Vilnius Network in Lithuanian 0805 GMT 21 Feb 95

[Annual government report delivered by President Algirdas Brazauskas at the Lithuanian Seimas—live]

[FBIS Translated Excerpt] The annual report is almost the only occasion for presenting a coherent view of the life of the state over the past year. [passage omitted]

I would like to start my report about the life of the Republic of Lithuania in 1994 with a description of the activities of the major state institutions, the first one, of course, being the Seimas, at whose rostrum I have the honor to stand at this moment.

The Seimas' activities last year can be described as a year of intensive and consistent work. Many essential laws have been adopted, the budget has been drawn up in a timely way, various new state institutions have been set up, and their activities are more efficiently monitored according to the Seimas' competence.

In my opinion, the Seimas' most significant achievement is the adoption of supremely important laws which have made it possible to carry out the reforms of various state institutions, in accordance with the requirements of the constitution of the Republic of Lithuania.

Laws on the courts of law and on the prosecutor's office as well as other laws have provided a basis for the reform of the legal system. A whole package of laws governing local administration have made it possible to hold the elections to the councils of local municipalities this spring.

In general, the legal norms of the laws already adopted, governing law and order, public life, property, and the economic system, constitute a solid legal basis for the normal development of democracy and for the implementation of human rights and freedoms.

Now it is most important to concentrate on improving the quality of the laws being adopted. The Seimas should organize its work in such a manner that the debate on the bill should lead to its adoption, so that unfinished work will not pile up. It is difficult for the members of the Seimas to consider and contemplate 10 draft laws debated on the same day, and to guarantee that newly-adopted laws do not need instant amendments. [passage omitted] Hasty repairs to the adopted laws encourage the mood of legal nihilism in our society.

On many occasions last year I was compelled to exercise my constitutional right to return to the Seimas laws which had been adopted, which to my mind were far from faultless. While exercising this right, I was, and I will continue to be, specifically concerned that the adopted laws should conform to the constitution of the Republic of Lithuania and should not run counter to other already valid laws and to the logic of legality and traditions, and should not violate or unreasonably restrict human rights and freedoms. [passage omitted]

Due to the very nature of the government activities the results of its work—both positive and, of course, negative—can easily be seen by everyone.

Whatever the government, it will always have more than enough opponents. The last year was not an exception: The government was criticized from all sides. But, in my opinion, last year there was more constructive criticism and many interesting suggestions from various Seimas committees and groupings.

I would like to stress one point which seems important to me: The Cabinet of Ministers headed by Prime Minister Adolfas Slezevicius has, after some changes, been working for nearly two years now. This fact indicates that Lithuania is becoming a more mature and, politically, a more stable country. This signifies that our international prestige is increasing, that we are becoming more attractive to foreign investors, and that we are integrating into the West more rapidly.

However, there have been shortcomings in the work of the government. The weak point is an unsatisfactory observance of laws and decrees. Last year, implementation of the value added tax law was incoherent, and this year, we find the same situation with the pension law. Neither of these two laws emerged as a surprise, and there was certainly enough time to prepare for their implementation. [passage omitted]

I reproached the prime minister on more than one occasion last year for the lack of resolution in tax collection. There was lack of control at tax inspectorates and customs offices. Budget revenue collection in the first half of the year was highly unsatisfactory. [passage omitted] There was a lack of consistency in solving specific issues of taxation policy, and departmental interests continue to be treated as a priority. All taxation systems must be essentially reorganized and new laws governing them must be adopted.

The government has been working for two years now and thereby we can, fairly enough, demand a higher standard in its work.

Although four-fifths of the population of Lithuania are Lithuanians, we should not forget the specific needs of national minorities. The more so since the period of the struggle for independence and the first five years of the existence of our sovereign country have shown that absolute majority of Russians, Poles, Ukrainians, Belarusians, Jews, and representatives of other nationalities are genuine patriots of Lithuania and they consider Lithuania their only motherland. The Lithuanian constitution and the law on national minorities guarantee them the right to sustain their national identity. [passage omitted]

True, the law on the state language, adopted on 31 January this year, or, to be more precise, the incorrect interpretation of this law, caused a certain concern among non-Lithuanians. Some interpretations had it that this law would eliminate all other languages from public life. I would like to stress that this law governs only the usage of the state language, without setting rules on other languages. [passage omitted]

Last year—for the first time in the past six years—the number of criminal offenses decreased, even if slightly, only by 3 percent. In general, however, the crime rate is still too high. The number of serious crimes has increased by 14 percent, cases of homicide increased by 12 percent, robberies by 76 percent, and extortion of property by 46 percent. [passage omitted]

I started speaking about problems of law and order by citing painful and unpleasant statistics. However, this statistical data also says that efforts made by the institutions of law and order and the public in fighting against crime have not been futile. [passage omitted] Almost 24,000 criminal cases have been solved in 1994, 7.5 percent more than in 1993. [passage omitted]

Last year, almost 3,000 economic and financial criminal cases were solved. [passage omitted]

It has become apparent during the last five years that Lithuania is able to conduct a European foreign policy. Its characteristic feature is continuity and succession. Our fundamental strategy is integration into the European political, economic, and defense structures which in time should become the guarantor of Lithuania's security, stability, and wellbeing. But Lithuania's integration into these structures will be decided not only by the international situation and the wish of Western states to expand their membership, but also by the readiness of

Lithuania itself to assume obligations regarding these structures and the ability to implement them. [passage omitted] The transitional period of six years envisaged in the free trade treaty between Lithuania and the European Union must be used by the government and Seimas for intensive and constructive work, above all, in the coordination of Lithuania's laws with the norms of the European Union.

Lithuania, Latvia, and Estonia, looking from afar, are traditionally regarded as a single region. I think that the preservation and strengthening of this image by concrete actions, in spite of natural differences between our states, is useful to the Baltic states. [passage omitted]

We are being linked by ever closer ties with the north European countries. [passage omitted] I think that Lithuania should take a more active initiative in cooperation in the economic, political, and defense spheres of this region. [passage omitted]

Cooperation with NATO must be developed and expanded in the interests of the stability and security of Lithuania and of the whole continent. We are convinced that the NATO expansion to the east is a ripe process and does not represent danger to any other state. [passage omitted]

The signing and ratification of the treaty on friendly relations and goodneighborly cooperation with Poland last year was the most important event in our bilateral relations. [passage omitted]

Although the relations between Lithuania and Israel are as yet marred by the shadows of the past, there was a marked improvement in these relations last year. I have no doubt that we are going to witness new positive changes this year.

There were not such important changes as in 1993 in our relations with Russia.

At the end of the year the rail transit of cargo to Kaliningrad through the teritory of Lithuania was regulated. In mid-January, most favored nation status with Russia was introduced. I would say that failure to apply this status earlier harmed both states.

I regard the regulation of the problem of the military transit as an ability to find mutually beneficial compromise in a civilized and constructive manner.

The events in Chechnya have indicated that very great upheavals are possible in Russia and that its policies are difficult to predict. We must be well prepared for possible changes in Russia's policy; the Chechnya tragedy has unambigously warned us on this. We must react to the actions of the Russian political forces, however, we also must be aware of the supporters of democratic reforms in Russia. They were there in the past, they are there now, and they will always be there.

I can say for sure that the apprehension voiced by some people that Lithuania will appear in the world as a weak and unreliable partner, that Lithuania will not defend the rightful interests of its independence, are totally unfounded. On the contrary, Lithuania's stable and flexible foreign policy gives confidence to Western politicians. It essentially contributes to the enhancement of the security of Lithuania and the entire region.

New phenomena have appeared in the relations between Lithuania and the Russian Federation. Tourism and visits by cultural activists have been resumed. [passage omitted]

Lithuania has never aspired to isolate the Kaliningrad region and will never do so in the future. This would cause danger to the security both of our state and the entire region. Lithuania's bilateral relations with each state, including Russia, should be regarded through the prism and prospects of integration of our state into international structures. [passage omitted]

When I speak about the situation in national defense, I assess it in my capacity as supreme commander of the armed forces.

We cannot forget the concrete steps taken by the Ministry of National Defense in strengthening international cooperation. This has brought concrete results and received a very positive assessment from international organizations, including NATO.

I am sorry to note, however, that the main task, that is, the creation of the legal base, was not achieved in 1994. I spoke about this issue in my annual report one year ago, yet advances in this area are insignificant.

In the absence of a firm legal base, an opportunity arose for a growth in the administrative structure and the existence of overlapping structures in the army and in the ministry, which eat up, if I may say so, the funding of the combat units and, partially, staffing reserves. [passage omitted]

A way to solve the problem of avoiding military service has not been found. [passage omitted]

Another problem of equal importance, the solution of which cannot possibly be delayed, is funding the system of national defense. It was neither done in time nor was it completed last year. Part of the blame for the fact that funds allocated from the budget were not always used economically should rest with the Ministry of National Defense. I think that the government should take specific care so that a soldier receives whatever is allocated to him from the state budget approved by the Seimas, fully and in time. [passage omitted]

The current results of the country's economic activity indicate that some specifically negative trends were slowed down and [word indistinct].

The largest number of positive changes took place in stabilizing the rate of the national currency. In 1994, inflation was smaller by a factor of 26 [as heard] compared with 1992, yet it was still as high as 45.1 percent. [passage ommitted]

For the first time in several years we managed to achieve an increase in the GDP, rather than a decrease. The most important thing for each and every inhabitant of Lithuania is that the living standard is not deteriorating and that both real income and people's bank deposits are growing, albeit slowly. [passage omitted]

In the privatization of state property Lithuania has advanced further than the other Baltic states. About 82 percent of all payments and other compensations made by the state to the residents have been used for privatization. Privatization for cash must begin this year. It will embrace all branches of the economy, with the exception of strategic and special enterprises. [passage omitted].

So far there are no possibilities in the state budget to amass the necessary funds for investments. Many industrial enterprises are as yet unable to take part in the investment process with their own funds. Therefore it is imperative to attract as much foreign capital as possible for investment and foreign loans for the development [words indistinct]. [passage omitted]

It is obvious today that Lithuania's economy can integrate into the western market only by having the latest foreign technologies. These technologies can reach Lithuania by establishing joint foreign enterprises, receiving foreign loans, or making better use of the existing funds and financial opportunities of the Lithuanian economic subjects.

Direct investments in joint enterprises and those of foreign capital total more than $225 million.

The number of foreign loans is increasing each year. In 1994 they totalled $260 million, in all almost $640 million [as heard].

An essentially new foreign investment law is needed paying special attention to investments, guarantees of security and equal rights with the residents. So far Lithuania's image in the world is not attractive enough. It is often being tendentiously distorted. Therefore the order of the integration of foreign investments and loans must be improved. [passage omitted] It is very unpleasant to hear that sometimes the loans are allocated not in accordance with the importance of the investment projects. If the state assumes responsibility in obtaining foreign loans, these funds must be used bearing in mind the economic effectiveness of the object being financed.

Speaking of Lithuania's foreign trade, I would like to draw attention to its negative balance. The import of fuel and energy resources from Russia had a decisive influence in this. The negative balance in foreign trade shows that it is essential to take resolute measures in stimulating exports, especially assisting small and medium-sized enterprises. [passage omitted].

For the first time last year trade turnover with western countries exceeded that with the CIS countries. Exports to western countries exceeded imports from them. Russia, however, remains the main trading partner of Lithuania. In 1994 exports to that country constituted 28.2 percent of total exports, while imports from it represnted 39.3 percent of total imports. [passage omitted]

The Lithuanian national budget was not fulfilled last year. [passage omitted] One of the reasons was an imperfect taxation system. [passage omitted] The Seimas should speedily discuss and adopt a whole package of taxation laws without continuing long discussions. [passage omitted]

Last year was difficult for farmers and agricultural companies. This was due, above all, to their complex financial and economic situation, and the complex relations in agricultural property. The drought made the situation more difficult, too. Agricultural reform was continued by, above all, returning land to its former owners and their inheritors. Ever more people wish to be compensated for their land with cash. Since the possibilities are limited in accordance with the present order, it is essential to find rational means of solving these problems as soon as possible, paying special attention to the interests of elderly and disabled people. [passage omitted].

The economic situation should improve. Let us not forget that rather high customs duties on imported food products were introduced last year. The free trade agreement with the European Union is defending our agricultural producers better than in other states which are being reformed. The farmers and agricultural communities have many tax privileges. [passage omitted].

I have noticed that sometimes, in adopting various laws and decisions on social issues, insufficient attention is paid to the need of rural man. One cannot express joy at the demographic situation in the countryside. [passage omitted]

In solving economic problems, we must not forget protection of the environment. [passage omitted] The protection of water, the handling of dangerous waste, and a rational use of natural resources are the most important issues.

All efforts in improving the economy must be crowned by the growth of the people's wellbeing. [passage omitted] But there are no grounds to be proud of the increased real income or of a marked improvement in living standards. Real income, according to statistical information, increased by 8 percent, because the paid average wage was increasing faster than prices [as heard]. Income per one family member increased during the year by 50 per cent, from 161 to 240 litas. [passage omitted] However, housing maintenance and payments for electricity were growing faster than average wages. This circumstance made the life of families with small income more difficult. I think that in this case the government decisions to increase the minimum wage were correct. In January it was increased to 85 litas, and from 1 February it was raised to 100 litas.

A few words about unemployment. According to official unemployment figures, the present level of unemployment in Lithuania is comparatively low at 4.5 percent. But these are only registered unemployed. The number of people looking for jobs is much higher and is increasing faster than the number of registered unemployed. [as heard]. [passage omitted]

However, there have also been positive changes in our life. The number of people with their own cars isincreasing; every second family has a car. The construction of individual houses is increasing. [passage omitted]

More attention must be paid to the maintenance of heath, its improvement, and the prevention of diseases. [passage omitted] Many people are concerned about the problem of medicines. The uncontrolled influx of expensive medicines has eliminated cheap medicines at the pharmacy which are needed by the sick. It is essential to reorganize the present pharmaceutical network and set up a well-organized structure. [passage omitted]

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